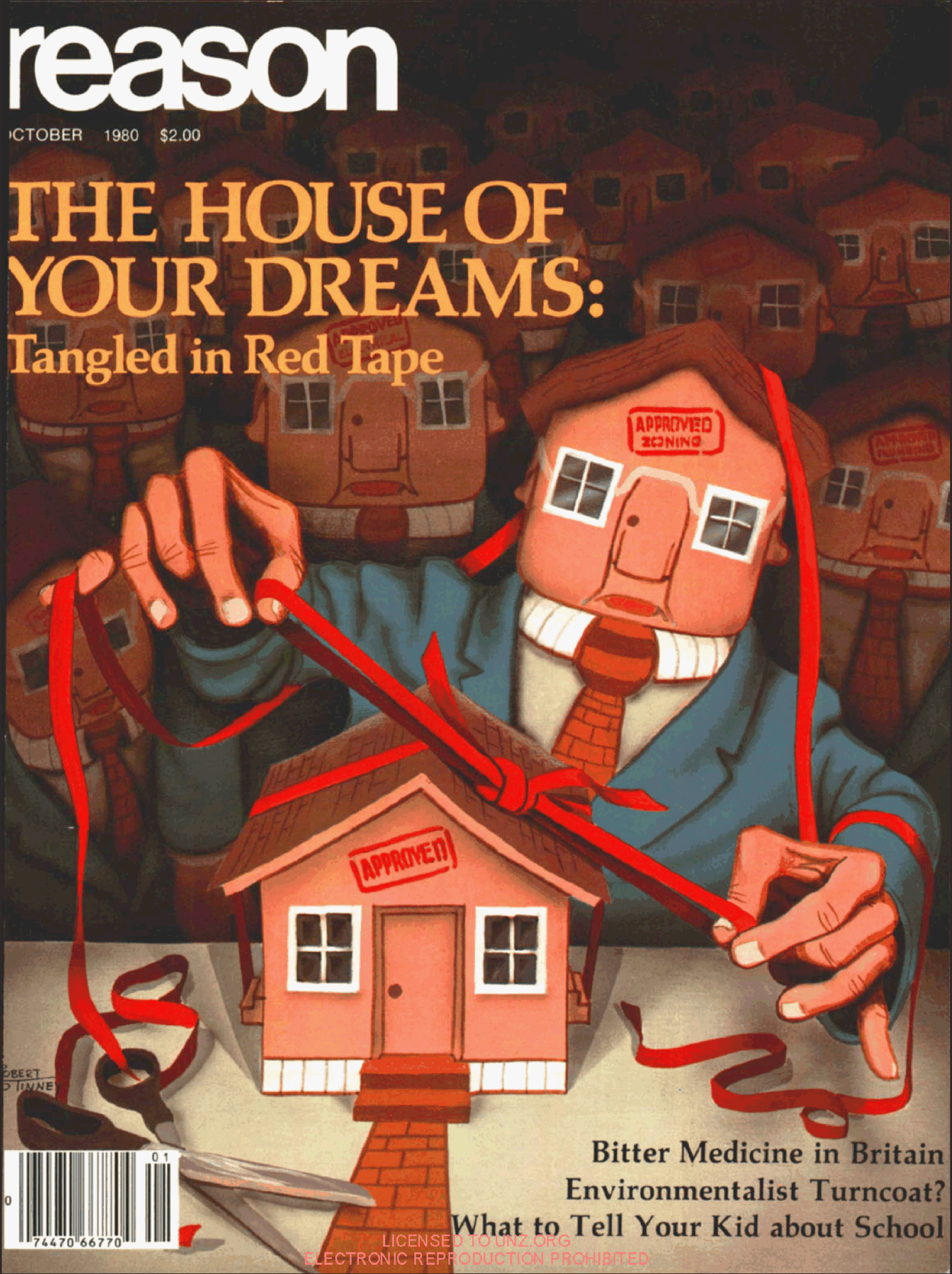
reason

OCTOBER 1980 $2.00

THE HOUSE OF YOUR DREAMS:
Tangled in Red Tape



Bitter Medicine in Britain

Environmentalist Turncoat?

What to Tell Your Kid about School

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ADVERTISEMENT

THE FASTEST GROWING CHURCH IN THE WORLD

by Brother Keith E. L'Hommedieu, D.D.

It's quite safe to say that of all the organized religious sects on the current scene, one church in particular stands above all in its unique approach to religion. The Universal Life Church is the only organized church in the world with no traditional religious doctrine. In the words of Kirby J. Hensley, founder, "The ULC only believes in what is right, and that all people have the right to determine what beliefs are right for them, as long as they do not interfere with the rights of others."

Reverend Hensley is the leader of the worldwide Universal Life Church with a membership now exceeding 7 million ordained ministers of all religious beliefs. Reverend Hensley started the church in his garage by ordaining ministers by mail. During the 1960's, he traveled all across the country appearing at college rallies held in his honor where he would perform mass ordinations of thousands of people at a time. These new ministers were then exempt from being inducted into the armed forces during the undeclared Vietnam war.

In 1966 Reverend Hensley was fighting the establishment on another front. The IRS tried to claim the ULC wasn't a legal church and proceeded to impound the ten thousand dollars in the church bank account. The feisty Hensley filed suit against the IRS in federal district court for return of the funds and to permanently establish the ULC as a legal tax exempt entity. On March 1, 1974 Judge James F. Battin ruled against the IRS in his decision which stated, "Neither this court or any branch of this government will consider the merits or failacies of a religion. Nor will the court praise or condemn a religion. Were the court to do so, it would impinge upon the guarantees of the First Amendment." The judge then ordered the IRS to return the impounded money and to grant the Universal Life Church its tax exempt status.

Reverend Hensley has stated that he believes a church is people and not just a fancy building. He also believes in total freedom and equality for all people. The ULC will ordain anyone without regard to religious beliefs, race, nationality, sex or age.

The ULC's success formula is both effective and unquestionably legal. After a person has become an ordained minister, he or she can join with two other people and form their own Universal Life Church. These three people then make up the Board of Directors consisting of a Pastor, a Secretary and a Treasurer. The ULC will then grant the group the use of its legal church charter complete with both federal and state tax exempt numbers. The newly formed church may then open a bank account in the church's name. Any member of the church can legally donate up to 50% of his or her outside income to the church and take a corresponding tax deduction. The church in turn can pay the complete housing cost of its minister including rent or mortgage payment, insurance, taxes, furnishings and repairs. The church can also provide the minister with full use of an automobile as well as pay for travel and educational expenses. None of these expenses are reported as income to the IRS. Recently a whole town in Hardenburg, New York became Universal Life ministers and turned their homes into religious retreats and monasteries thereby relieving themselves of property taxes, at least until the state tries to figure out what to do.

Brother L Hommedieu is Chairman of the Board of Trustees of the Sacerdotal Order of the Universal Life and serves on the Board of Directors of the International Universal Life Church, Inc

Churches enjoy certain other tax benefits over the common man on the street. For instance, a church can legally buy and sell real estate or stocks and bonds completely tax free. It can receive tax free income from bank deposits or mortgages. Many churches own large publishing, recording, or other related businesses like hospitals, clinics and schools without paying any income tax.

A church can sponsor any kind of fund raising event such as a concert, play or even bingo. Churches are also exempt from paying inheritance taxes. When the pastor of the church dies, the Board of Directors simply appoints a new pastor and the church goes on.

Reverend Hensley has stated that he personally doesn't believe in the tax exempt status of churches. However, if the government is going to give a free ride to Billy Graham and the Pope, then why not let everybody participate in these blessings. Furthermore, he backs his words up by offering to defend in court the tax exempt status of his congregations.

Since the church was founded in 1962, it has attracted members who are movie and TV personalities, businessmen, government officials, lawyers, and doctors as well as all types of regular working people. During the last 15 years the Universal Life church has blossomed into a full blown grass roots populace movement. Reverend Hensley is ordaining ten thousand new ministers a week and predicts that the church will have over 20,000,000 members by the early 1980's. In addition, requests for interviews and TV appearances continue to pour in.

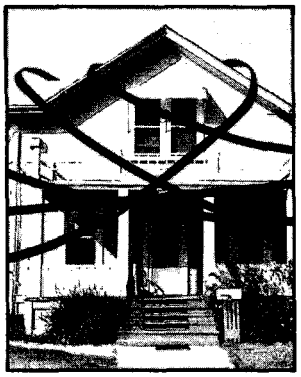
Anyone who is a member of the ULC will tell you that the ULC is destined to change the world. By unifying mankind into a brotherhood of freedom orientated individuals, each respecting the other's right to live life as they see fit, the Universal Life Church hopes to put an end to all wars. Reverend Hensley admits that this is a pretty monumental task to accomplish, but he also points out that he is already well on the way to reaching his goal.

Rev. Hensley invites all those interested in becoming an ordained minister and receiving complete information and Minister's Credentials, to send a 10^{00} tax deductible donation to the Universal Life Church, 1335 Seabright Ave., Dept. **806**, Santa Cruz, CA 95060

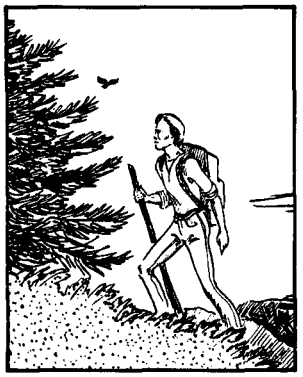
October 1980/Vol. 12, No. 6

reason

A forum for analysis and commentary, with an emphasis on individual liberty.



Housing woes 20



Environmental insight 30

Britain's pick-me-up 33

Cover by Robert Tinney

HOUSING: TANGLED IN RED TAPE
You want to build? Meet the local building department, there to help you be safe and sound. But middle-Americans out to build their dream homes, big-time developers, and displaced city dwellers are all beginning to ask, Isn't there a better way?
By Christine Dorffi **20**

CONFESSIONS OF AN ENVIRONMENTALIST
He fought to save the wilderness the only way he knew how, but he saw the environment become a pawn in a political game. Now he knows better.
By Lawrence B. Dodge **30**

HOW FAR CAN THATCHER GO?
All the king's horses and all the king's men couldn't put Britain together again. The popular "Maggie" has a new diagnosis and a painful treatment.
By Eben Wilson **33**

A FEW KIND WORDS FOR WARREN G. HARDING
Forget what you read in your history books about the twenty-ninth president of the United States.
By Michael T. McMenamin **37**

EVERYTHING YOUR CHILD ALWAYS WANTED TO KNOW
...about school, that is, but was afraid to ask. A psychologist and parent has some answers.
By Peter R. Breggin **38**

EDITORIAL/A Call to Sanity on Foreign Affairs **6**
VIEWPOINT/Confessions of a Travel Junkie **42**
SPOTLIGHT/Public Television Maverick **43**
MONEY/Right to Privacy under Fire **44**
EDITOR'S NOTES **4**
LETTERS **8**
BRICKBATS **12**
TRENDS **14**
MOVIES **45**
BOOKS **46**
RUDEBARBS **50**
CLASSIFIEDS **51**

REASON is published monthly by the Reason Foundation, 1129 State St., #4, Santa Barbara, CA 93101. Tel. (805) 963-5993. Second class postage paid at Santa Barbara, CA, and at additional mailing offices. Postmaster: Please send Form 3579 to REASON, Box 40105, Santa Barbara, CA 93103.
Copyright © 1980 by the Reason Foundation. All rights reserved. Opinions expressed in signed articles or columns do not necessarily represent the view of the editors.

CORRESPONDENCE: Address comments, manuscripts (for return, please include a self-addressed, stamped envelope), classified ad orders (with full payment), and subscription orders to REASON, Box 40105, Santa Barbara, CA 93103. Two copies of manuscript required. Author information sheet available on request. Address mail concerning display advertising to Robert Bakhaus, 1129 State St., #4, Santa Barbara, CA 93101.

CHANGE OF ADDRESS: Please allow six weeks for change of address. Send address label and new address to Circulation Dept., REASON, Box 40105, Santa Barbara, CA 93103. Requests for missing issues due to late notice of change of address, or older than two months from current date, will not be honored unless accompanied by payment.

ISSN 0048-6906

reason

EDITOR
Robert Poole, Jr.

ASSOCIATE EDITOR
Marty Zupan

SENIOR EDITORS
Manuel S. Klausner
Tibor R. Machan

ASSISTANT EDITOR
Christine Dorffi

CONTRIBUTING EDITORS
David Brudnoy
James Dale Davidson
Edith Efron
Mark Frazier
John Hospers
Eric Mack
Henry G. Manne
William Marina
Karl Pflock
Lowell Ponte
Alan Reynolds
Murray Rothbard
Thomas Szasz

FOREIGN CORRESPONDENTS
Prakash Aswani/Middle East
Rick Bolstler/Canada
Anne Brincker/Denmark
V. R. Forbes/Australia
Ole-Jacob Hoff/Norway
John-Henri Holmberg/Sweden
Hubert Jongen/The Netherlands
Riccardo La Conca/Italy
Henri LePage/France
Leon M. Louw/South Africa
Guy de Maertelaere/Belgium
H. Joachim Maitre/West Germany
N. G. Molinelli/Argentina
Luis Reig/Spain
Eben Wilson/England

DEPARTMENTS
Steve Beckner/Money
Tim Condon/Taxes
Patrick Cox/Spotlight
Thomas Winslow Hazlett/Brickbats
John Hospers/Movies
Randall K. Hylkema/Rudebarbs
Robert Poole, Jr., and
Christine Dorffi/Trends

ART DIRECTOR
Nanette Boyer

TYPESETTING
Jean Graphics

STAFF
Elizabeth Anderson
Ashley Brooks
Wendy Guild
Suzi Rolland
Louis A. Rollins

ADVERTISING: For display advertising contact Robert Bakhaus, 1129 State St., #4, Santa Barbara, CA 93101; (805) 963-5993. Deadline for insertion order: 1st of each month. Ad appears 40 days later. Obtain rate card before sending copy. For classified ad orders, please see Classifieds page, this issue.

SUBSCRIPTIONS: Subscribers are members of the Reason Foundation. Membership (US residents) is $19.50 per year, of which $6.25 is set aside for publication costs. Long-term rates: 2 years, $34.00; 3 years, $45.00. Other countries add $4.00 per year.

BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Rd., Ann Arbor, MI 48106. Indexed in *America: History and Life, Historical Abstracts,* and *Public Affairs Information Service Bulletin.*

editor's notes

• **EXPOSÉ UPDATE.** Many people in the media were skeptical of our November 1979 article "Who's Bankrolling the UFW?" In it, investigative reporter Patty Newman charged that federal grant funds paid to nonprofit organizations set up by United Farm Workers union president Cesar Chavez were actually being spent to benefit the union. Late in July the federal Community Services Administration released the results of its internal investigation into REASON's charges. Their findings? Some $951,000 in CSA grants was used to support the activities of the UFW union in direct violation of the agency's rule against supporting unions. The report chronicles the way top CSA officials bypassed their regional office to channel the funds directly to Chavez's National Farmworkers Service Center, which the CSA report calls "a spinoff organization of the UFW."

• **AVIATION SAFETY.** Regular readers of this magazine are aware of our continued interest in the problem of safety in the skies, a problem made acute by the fact that responsibility for it has been socialized rather than being left to the insurance industry and consumer organizations, as in most other fields. One consequence is a general dulling of consumer awareness of air safety issues, a "security blanket" effect.

Fortunately, there are people working to counter that lethargy. If you fly a private plane, you ought to know about a newsletter called *The Aviation Consumer.* Now in its 10th year, this fortnightly publication serves as a kind of consumer report on general aviation aircraft and systems—and appears to be doing a thorough and conscientious job of it. The price is $3.50 a copy, or $39 a year. (Write The Aviation Consumer, Box 972, Farmingdale, NY 11737.)

• **MEDICAL CONFERENCE.** Two years ago a number of physicians concerned about the survival of private medical practice met in Hawaii and created an international organization, IATROS. Now the organization—whose members include Americans, Britons, Canadians, and Australians—has announced its first international congress of private and independent doctors. It will take place January 12-17 in Sydney, Australia, on the theme, "Survival of Private Practice." The keynote speaker will be Prof. Milton Friedman. Further information can be obtained from IATROS Congress, American Express Tower, Box 2548 G.P.O., Sydney N.S.W. 2001, Australia.

• **MEDIA NOTES.** Two recent articles illustrate the continued penetration of libertarian ideas into the intellectual mainstream. *Saturday Review* published a hard-hitting article on the IRS by Blake Fleetwood in its May 1980 issue. Called "The Tax Police: Trampling Citizens' Rights," it was based on a four-month investigation of IRS practices. The August issue of *Harper's* featured Lewis E. Lehrman's forthright presentation of the case for a gold standard, appropriately titled "Real Money." And speaking of *Harper's,* we can all be thankful for the timely rescue operation mounted by the MacArthur and ARCO foundations during the summer. The two organizations have purchased the foundering magazine from its former owner and will keep it going, with editor Lewis Lapham still at the helm.

• **RUFF EXPANDS.** Financial commentator Howard Ruff, interviewed here in February, has turned to political action. Though telling his readers "when it comes to government and the marketplace, I'm probably a lot closer to being a libertarian than anything else," Ruff declines the label, along with "liberal" and "conservative." But he has become financial co-chairman of an independent political committee (Americans for Change) that seeks to raise $20 million for the Reagan campaign. He has also formed Free the Eagle, a lobbying group backing such measures as federal spending limits, a gold standard, and reform of OSHA and the Federal Election Commission.

• **PERPETUAL GIFTS.** Would you like to give your favorite library a subscription to REASON—in perpetuity? That happy thought can become a reality for just $250. Under our new Library Gift program, your $250 (tax-deductible) contribution will make possible a perpetual subscription for the library of your choice. Does your alma mater carry REASON? How about your local public library and high school library? A library copy reaches hundreds of readers—perhaps even thousands. What better way to spread clear thinking?

—R. P.

Why Haven't Salaried Employees Been Told These Facts?

Haven't you ever wondered how some people make more and more money each year—and yet pay lower taxes than you do? It's frustrating. And yet we all know it's happening.

Unbelievable as it may sound, Uncle Sam goes out of his way to give small business owners **huge** tax breaks. So much so that over 300,000 new businesses will be formed in 1980. And 98% of them are tiny businesses, often with just one person working from home.

Can you imagine putting your family on your payroll, diverting some of your income to your spouse or children, thereby cutting your tax bill by **thousands.** You can do it! In fact, much of your income may escape taxes entirely. And it's all perfectly legal.

As a small business owner you can pay for the college education of your children with money that normally would have gone to the IRS.

You can legally set aside up to **25 percent** of your income tax-free.

With your own small corporation you can set up a medical reimbursement plan, whereby all medical, dental, and pharmaceutical expenses to you and your family can become tax deductible to the business.

You can pile up cash in your business—and then take it out as a long-term capital gain at **low** tax rates.

Many small businesses can be started with under $5,000, and **net** a high 5-figure sum the first year!

It is quite common for a person to invest $25,000 in a business and two years later be able to draw a $25,000 salary—plus show a profit of $25,000 (that's a 50% return on investment for the first two years, and 100% thereafter if net profit margin is just **maintained).** When that business is sold, it will be valued at two to three times net and salary, or $100,000 to $150,000 (that's an additional 400% to 600% return on investment taxed at low capital gain rates).

There's no need to ever quit your job, unless you want to. There are at least 36 lucrative small businesses you can run while still maintaining your present job. A surprising number of these can, in fact, be started with **less** than $1,000—and net a high 5-figure sum the **first** year!

Many fringe benefits are more acceptable to the IRS when you work for your own company, items such as: company cars, travel reimbursement, vacation homes for employees, tickets to theatres, concerts and ballgames, conferences at resorts, low or no-interest loans to employees, club memberships, lunch and dinner money, even Christmas gifts to employees—items **not** deductible when you work for someone else!

Do you need money? You can get an interest-free loan from your corporation. These loans are used by many people as a form of gifting to children and relatives also.

A privately owned corporation offers you the flexibility of being taxed as an individual or a corporation—whichever is to **your** benefit. For example, a married taxpayer filing jointly on an annual income of $35,000 can save a minimum of $1,900 simply by incorporating!

Surprisingly, most people can take advantage of this little-known phenomenon. Even if you do not wish to leave your present job, you can simply **create** a part-time job for yourself or your spouse and incorporate it. Many people simply put 15% of your corporate salary into a profit-sharing plan on a deductible basis and an additional 10% on a voluntary basis. They then provide themselves with generous fringe benefits to keep the income low enough so it won't add much to the total family tax bill. With a little planning, this simple procedure is providing healthy six-figure retirement sums for people who would otherwise have had to make do with Social Security.

With taxes continuing to climb at an alarming rate, it's been estimated that we work almost three hours every day just to pay taxes before keeping a nickel for ourselves! In annual terms that means we work for Uncle Sam from January to nearly the middle of May!

While most Americans are concerned with reversing this tax occurrence, they don't know where to turn. But don't let it discourage you. There **is** a solution.

How can you learn about these eye-opening facts that can save you from this seemingly unavoidable treadmill existence? The business editors of **ENTREPRENEUR MAGAZINE** found the answer. After an extensive nine-month study, they've just completed two fascinating new special reports. One is entitled **"Businesses You Can Start With Under $1,000," No. 311,** and the other, **"Businesses You Can Run & Still Keep Your Job," No. 318.**

Think of it! The facts about how you can legally keep your hard-earned money from devastating taxes and build a healthy nestegg for your future. You get the inside scoop on **dozens** of highly profitable businesses you can start on a shoestring—and you don't even have to leave your present job to enjoy the tremendous benefits allowed by Uncle Sam!

Now for the best part of all. You may have your choice of either of these new reports **absolutely FREE**—without obligation of any kind! That's right. Just write the report number and title of the report of your choice on a piece of paper with your name and address. Send it to: **American Entrepreneurs Association, Publications Division, 2311 Pontius Ave., Suite B-956, Los Angeles, CA 90064.** Your copy of the report of your choice (a regular $16.95 value) will be sent to you by return mail. If you wish fast first-class delivery, kindly include $2.00 for postage.

© 1980 AEA, 2311 Pontius Ave., Suite B-959, Los Angeles, CA 90064

FREE REPORT

American Entrepreneurs Association
Publications Division, Suite B-959
2311 Pontius Avenue
Los Angeles, California 90064

YES, please send the free report checked below (only one report per customer):

- ☐ Businesses You Can Start For Under $1,000 (#311)
- ☐ Businesses You Can Run And Still Keep Your Job (#318)
- ☐ I've enclosed $1.00 for postage & handling (book-rate mail)
- ☐ Rush the report by first class. I've enclosed $2.00

Name _____

Address _____

City _____ B-959

State _____ Zip _____

A Call to Sanity on Foreign Affairs

editorial

All who are familiar with REASON magazine know of the editors' and most authors' wholehearted devotion to liberty. REASON has been unabashedly libertarian on domestic and foreign issues, aligning itself with neither left nor right, steering an independent course.

Since REASON began publication 12 years ago, a very visible expression of a libertarian political movement has emerged in the form of a Libertarian Party. In addition, several other magazines have been started or transformed to reflect something of a libertarian editorial policy. Wherever these developments have meant the intelligent and consistent support of the principles of a free society, REASON has expressed its support. But here again, we have not been blindly loyal to mere laudatory slogans about liberty, the free market, justice, rights, peace, and virtue. As the name of the magazine makes abundantly clear, we are first and foremost loyal to human reason: we are committed to *thoughtful* praise, criticism, or other participation in our world. We have tried hard to follow through with this commitment, out of the conviction that only such conduct will make it possible to carry on with a clear conscience, with our integrity intact as human beings and journalists.

Ordinarily, all this would not have to be said. But with the emergence of the Libertarian Party as something of a national political force, coupled with Ronald Reagan's presidential candidacy, some issues need to be considered that may once again leave REASON magazine in a somewhat lonely position. To wit, it is very difficult to find any trustworthy views on the topic of foreign policy in the midst of recent signs of a nation favoring some deregulation of economic activities, a balanced budget, and other benchmarks on the road toward liberty.

Among libertarians there are avowed militarists as well as outright isolationists—but there are very few who see themselves as *searching* for a rational foreign policy. Accordingly, letters have denounced us both for our alleged softness on communism and defense and for war-mongering, expansionism, and imperialism. Some think that we share the views of those who would have the United States disarm itself. Others think that we would welcome a nuclear war over "vital interests" in the Persian Gulf.

The facts are different. We at REASON advocate an effective defense of the United States—that is, of all regions and interests the federal government is obligated by a sound constitution to defend against foreign aggression. We regard it as imperative that government perform the central function that is the only moral explanation for its existence, namely, the protection and preservation of the rights of the members of the human community that is the United States of America—not the building of museums, not the education of our children, not the millions of other instances of irrelevant and destructive meddling that goes on in the name of our government caring for its citizens.

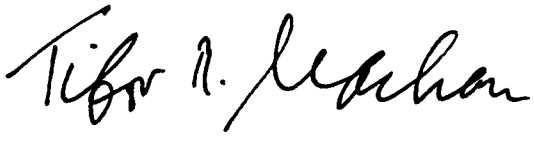
We do not agree, however, that requirements relating to the military defense of our country must lead to expanding the defense budget, so-called. We suspect that more waste goes into this area than into most others. At least the conservatives in government tend to watch these other budgets, while military appropriations are not monitored much by anyone for fear of being called a traitor. We agree that many countries now being defended or promised defense by the United States should arm to defend themselves. Let American taxpayers invest their energies in building up their own faltering productive lives. With all these caveats, however, let it be noted that we want a strong defense of the United States.

How this is to be accomplished is, of course, a complex matter, which is the reason we lament the dearth of carefully worked out, comprehensive discussions of foreign policy by those who share our commitment to a free society. We are dismayed with the lack of concern with the issue of how to defend our country *and* enhance human liberty.

Clearly, recklessness in security-consciousness is a threat to human liberty both at home and abroad. Governments—so well recognized as threats to some of our liberty by many conservatives—are unusually trusted by the same individuals, and by some libertarians, when it comes to military matters.

On the other hand, there are those who advance some of the most naive notions concerning the defense of this country. To disengage our forces from several regions of the globe tomorrow morning at nine o'clock would be insane. Any reasonable person familiar with world affairs knows this. To sever all our defensive military alliances would be immoral, reckless, and destructive of liberty. To treat the world as if the Soviet Union were merely an introverted tyranny, with no aim of extending its coercive monstrosities outward, is wishful thinking, plain and simple. But there are those who loudly proclaim their devotion to human freedom, free trade, and the rule of law, yet regard the Soviets as little more than a large but innocent lamb.

There are, as noted above, complexities in all this that no brief editorial comments can address. Yet it is obvious that those who claim to be loyal to human liberty at home and abroad must begin to think in terms of this principle as they discuss the desirability of militarization *or* demilitarization. Those who agree, we urge to begin a vociferous dialogue on how to obtain a competent defense of this country *and* enhance liberty, including a substantial reduction of the financial burdens imposed by governments. On all sides of the political round table, there is a dismaying absence of systematic, patient concern with this dual imperative. We hope, however, that this will change, and we pledge to do what we can toward that end.



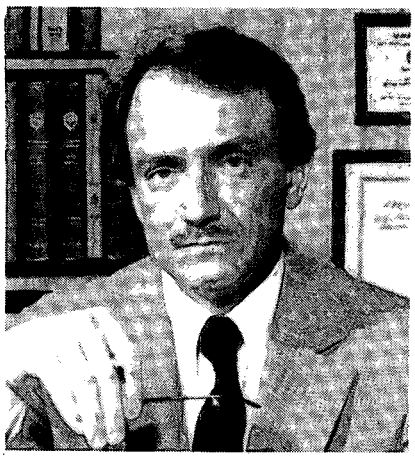
The PATTERSON STRATEGY LETTER

The ONLY Financial Newsletter reflecting TRILATERAL CONTROL OF THE ECONOMY & YOUR FINANCIAL FUTURE !

. . . **Can you believe that** only now, many leading financial advisors are discussing the Trilateral Commission, which Lawrence Patterson warned of in his Strategy newsletter *five years ago !*

. . . **Still haven't heard** of the Trilateral Commission ? You shou'd – *and soon* – to protect your financial future and retirement assets ! To quote North Carolina Senator Jesse Helms, in a letter to his constituents: *"The Patterson Strategy Letter offers timely advice about big government's threat to your financial security."*

. . . **How does the Trilateral Commission affect your future ? ?**
The Trilateral Commission has secretly gained control of our government through the use and the cooperation of the American media. The manipulation of the "controlled press" has enabled the Trilateral Commission *(actually an illegal political party)* – – to place a puppet front man administration in Washington, *without the knowledge and permission of the American people !* This front man of course is none other than James Earl Carter !



Lawrence Patterson is recognized as America's foremost expert on the Trilateral Commission and its influence on your financial future.

PATTERSON STRATEGY
Services include :

- PSL "Hotline" commentary, updated daily – – available 24 hrs. each day.
- Financial consultation by phone or in person with our financial planning staff
- Swiss seminars, twice yearly, with L. T. Patterson
- Regular PSL Discussion Groups to review current events
- Monthly discussion tapes
- Special Reports

FREE REPORT –
Subscribe NOW to the PATTERSON STRATEGY LETTER and receive as a bonus the Special Report on the new *"GOLD CARTEL."*

CALL TOLL FREE
1-800-543-0486

–OR– Mail this coupon to

L. T. PATTERSON STRATEGY

P.O. Box 37432, Cincinnati, Ohio 45202–or
P.O. Box 1059, 4001 Basel, Switzerland

L. T. PATTERSON STRATEGY, P. O. Box 37432, Cincinnati, Ohio 45237, USA R9–80

☐ 1 Year's Subscription $149.95
☐ 6 Months' Trial Subscription $85.00

(Free book and tape with one years' subscription -- call our office for details)

☐ My check or money order is enclosed Please charge my ☐ Master Charge ☐ Visa

Acct Number _____ Exp. Date _____

Name _____

Address _____

City, State, Zip _____

letters

Threshold Disagreements

In Bruce Bell's discussion of radiation thresholds ("Is Any Radiation Too Much Radiation?" July), his analogies simply do not make sense. Just by stating that "there are plenty of things that are harmful at high doses but *required for human survival* at low doses" does not necessarily make this applicable to radiation, so supports neither the linear or threshold hypothesis. Further, the analogy between low doses of radiation and food additives is false, since in the case of food any consumer who has doubts about an additive can buy alternate products, which is not the case for radiation which cannot be avoided by someone in its path. Finally, presuming persons to be innocent until proven guilty is fine, but to apply the same rule to substances or radiation, where there is genuine scientific controversy involved, seems to me to be inappropriate.

Paul Bilzi
Aurora, CO

Bruce K. Bell's statement is wrong; the threshold hypothesis for radiation carcinogenesis has no *scientific* merit at all. This is demonstrated in Chapter 11 of *Radiation and Human Health,* a book of science by J. W. Gofman (in press). Furthermore, the threshold hypothesis has no *legal* merit either in a libertarian society.

We certainly agree with Bell's statement that "all persons have the right to do as they want so long as they do not violate the rights of others." Also, we cherish the principle that everyone is innocent until proven guilty. We differ with Bell, however, on the crucial part of his argument. The whole issue is, what *are* the rights of others which someone might be "guilty" of violating?...

Trespass against property is a crime, and one's own body is surely one's property. Therefore pollution is a crime when pollutants are imposed on someone who objects to them. The person who is trespassed upon does *not* have to prove injury; he need only prove trespass to enjoin it.

If an individual had to prove physical harm in order to stop trespass, we could not stop people from entering our homes at will, dumping their corn cobs on our lawns, or dumping 10,000 chemicals of *unknown* toxicity into our air, water, and soil....If we agree that pollution is trespass, then the issue of "premeditated random murder" by polluters, and the practice of "guinea-piggery" by polluters upon people who do not consent, could both be by-passed, since polluters could be stopped *whether or not* they were killing people.

We are aware of the extreme implications of both the "must prove harm" and the "don't need to prove harm" positions. The former position declares that there would be no defense against trespass or pollution, no defense against being used as an involuntary guinea pig to determine the toxicity of various pollutants, and no defense against inadvertent genocide by polluters. On the other hand, our "don't need to prove harm" position would create, with its extreme application, the One Molecule Problem, the Sneezing Problem, and the Radio Wave Problem.

These interesting and troubling questions cannot be explored in just a letter to the editor. For now, we will say only:
(A) Almost *every* treasured libertarian policy runs into comparable troubles when its applications are followed to their extremes. We propose that libertarians accept those troubles as inherent in the continuum between *coercing* someone and simply *affecting* his life, between coercion by *individuals* and coercion by *circumstances,* between harming someone else with fists and "simply" playing with TNT in the apartment beneath his.
(B) Let us do first things first, which means agreeing what are the *right* libertarian principles before we tackle how to achieve them without regulation, how to deal with their most extreme applications, and how to assess their economic, scientific, sensual, and other costs.

We are confident that "no need to prove harm" will be chosen by libertarians as the only pollution policy consistent with the right principle, namely "You may do *nothing* with anyone else's life, liberty, and property without that individual's consent."

Egan O'Connor
John W. Gofman, M.D., Ph.D.
San Francisco, CA

Mr. Bell replies: In reply to Mr. Bilzi, my analogy between food additives and radiation was intended to answer the argument acvanced by some that: (1) *all* carcinogens are carcinogenic at *all* doses; (2) radiation is carcinogenic at *high* doses; therefore, (3) radiation is carcinogenic at *low* doses. But, I argue, there are several toxic and carcinogenic substances that are *not* so at low doses. Thus, the first premise is false, and so is the conclusion. Of course, radiation is usually "imposed" and food additives "chosen," but this disanalogy is not relevant to whether either is harmful at low doses. Finally, I do not want to say that radiation *per se* is safe until proven otherwise, but that *people are producing radiation without hurting others* until proven otherwise. After all, we sue *people,* not nature (nor *products,* contrary to the way the legal system is set up now on drugs and food additives).

In reply to Ms. O'Connor and Dr. Gofman, I am saying that people's production of radiation at low doses is safe *within our present context of knowledge.* If Gofman has, indeed, shown that radiation is harmful at low doses in his forthcoming book, then this would be an expansion of our context of knowledge and would have to be accepted in that context. But his argument does not go against my point, nor is it clear, if he *can* prove harm, that "the need to prove harm" leaves us with "no defense against inadvertent genocide by polluters."

Gofman also argues that only "trespass" and not harm must be proved, but Black's Law Dictionary states that: "At common law, trespass was a form of action brought to recover damages for any *injury* to one's person or property or relationship with another" (emphasis added). But Gofman wants to stop "polluters" *whether or not* they are hurting anyone. Thus, as he himself admits, this would create "with the extreme application, the One Molecule Problem, the Sneezing Problem, and the Radio Wave Problem." Radio waves permeate our world, but do they hurt us? Again, as a physicist, Gofman knows that the molecules of a sneeze can diffuse over the entire world. Should we then be able to sue anyone who sneezes? The legal principle of *de minimis non curat lex* states that "the law does not concern itself with trifles," which means that unless harm can be shown there is no ground for interfering with someone's going about his business.

Frustration

I was a little embarrassed by certain remarks attributed to me in the interview

in your July issue. I was particularly displeased with the closing of the interview, which included some rather startling language.

These remarks might give readers a wrong impression. First, because of my lazy choice of words. Though I have no moral objection to the use of "foul" language, the fact is that I rarely participate; for whatever reason, it simply is not one of my trademarks.

Second, the printing of these comments without explanation made it sound as though I were angry. That would be incorrect. The proper description would be frustrated. I believe all libertarians not only understand this frustration, but share it with me. Nonetheless I regret that my attempt at light humor and facetiousness was lost in the transition from tape to typesetting.

Robert J. Ringer
Los Angeles, CA

"Only Opinions"

REASON's recent interview with author Robert Ringer (July) revealed a curious inconsistency in Ringer's metaphysics. When questioned about his discussion of natural law in *Restoring the American Dream,* Ringer was asked to defend his observation that the "initial premise of any philosophy can never rightfully be classified as other than an opinion." Ringer responded by dismissing Objectivist epistemology as unnecessarily proscriptive and mentally confining, claiming that, "to me, everything is an opinion," and that, "I don't see how I can ever prove [individual moral autonomy] as a basic truth."

Elsewhere, Ringer suggested that since everyone is entitled to an opinion, *defining* what is right and wrong with respect to some objective moral standard is impossible. While we all may agree on the impropriety of violating an individual's rights, he instructs that specifying what these "rights" are and how they may be compromised is self-defeating (the point "where you start getting differences of opinion").

Lacking an epistemology that would give rise to a consistent and rational worldview, Ringer understandably is incensed by those who remain unconvinced of the objective necessity of the libertarian nonaggression axiom after reading his book. After all, someone who insists that natural law is merely a figment of the imagination and that acceptance by the reading public is contingent upon the admission that one's views are "only" opinions, to be accorded equal status with all other opinions, cannot *really* condemn NFL football fans or Charlie's Angels devotees. These "hopelessly involved" addicts are enjoying their conception of freedom. It is we libertarians who are making all the noise.

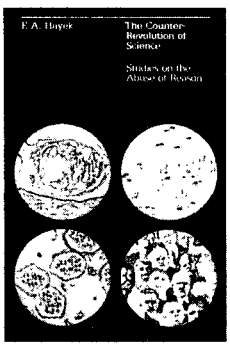
Mark David Travis
Denver, CO

Stockholders, Unite!

The main problem with "corporate democracy" these days is not the Naderite analysis ("Naderizing the Giant Corporation," Aug.), but is the fact that the owners are not in control of their companies. The stockholders not only do not exercise effective control over their interests in a profitable company, but also fail in any meaningful sense to have a decisive say in the election of directors. This separation of owner from his rightful property interest is the heart of the real crisis of "corporate governance."

In criticizing the so-called Corporate Democracy Act, Donald Feder skips over this essential flaw with the act. Mr. Feder states: "What shareholder in his right mind wants to control the company in which he's invested?...If that profit isn't forthcoming, they vote with their bucks—

LibertyPress
LibertyClassics



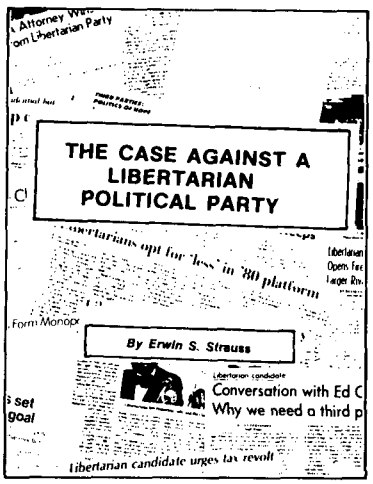
The Counter-Revolution of Science
Studies on the Abuse of Reason

by F. A. Hayek

"Never will the mind of man penetrate deeper into error than when he is continuing on a road which has led him to great success," says Nobel Laureate F. A. Hayek. In this book he provides a penetrating analysis of the intellectual errors responsible for many theoretical and social difficulties: the substitution of *scientism* for true science and the use of *scientistic* rather than truly *scientific* method.

Professor Hayek shows how the use of scientistic methods has undermined the study of society while sowing the seeds of the tyranny of social engineering and the totalitarian state. Hardcover $9.00, Paperback $4.00.

We pay postage, but require prepayment, on orders from individuals. Please allow four to six weeks for delivery. To order this book, or for a copy of our catalog, write:
LibertyPress/LibertyClassics
7440 North Shadeland, Dept. J40
Indianapolis, Indiana 46250



THE MOST CONTROVERSIAL BOOK OF THE 1980 CAMPAIGN!

THE CASE AGAINST A LIBERTARIAN POLITICAL PARTY
By Erwin S. Strauss

Is political activity compatible with libertarian ideals? The politicians who want your time and money say yes. Erwin S. Strauss says NO! In his new book THE CASE AGAINST A LIBERTARIAN POLITICAL PARTY -- a book which is sure to be the most controversial publication of this election year.

The true nature of politics and its incompatibility with libertarian principles is exposed by the author in a series of hard-hitting and closely-reasoned arguments -- arguments you will never see in any Party progaganda! Before any libertarian gives away his scarce resources to politicians, he must read this book.

Contents of this exciting and controversial new book include:

- *Political activity as a public good*
- *Why one cannot be a libertarian and a politician at the same time*
- *Common arguments in favor of political participation are refuted*
- *Behind-the-scenes looks at two recent Party conventions*
- *A no-holds-barred assessment of the current partyarchs: the "purists", the "radicals", and the "mechanics"*
- *Alternatives to political action*
- *And more!*

Those who value freedom will act to achieve it -- but politics is not the way. In this election year, you will be bombarded with Party mailings asking you to give away your scarce resources to a bunch of politicians who say THEY will make YOU free. Before you part with one cent of your hard-earned money, or one second of your valuable time, you must read THE CASE AGAINST A LIBERTARIAN POLITICAL PARTY -- the most controversial and eye-opening book of the 1980 campaign! Don't miss this one -- order your copy today!

5½ x 8½, 40 pp, saddle-stitched soft cover.
THE CASE AGAINST A LIBERTARIAN POLITICAL PARTY: $5.00 postpaid.
Order From:
LOOMPANICS UNLIMITED
PO Box 264
Mason, MI 48854

Sirs: Enclosed is $5.00. Please send me a copy of THE CASE AGAINST A LIBERTARIAN POLITICAL PARTY.

Name _____
Address _____
City _____
State _____
Zip _____

by selling the company's stock. What could be more democratic?"

This view promotes low productivity and low profits. It allows corporate management to go on its own merry way irrespective of any effective discipline of the market. What harm does it do to any company's management when one stockholder sells his stock to a ready buyer? It's no skin off the management's nose. It doesn't threaten their jobs, their perquisites, or their power to pursue their pet projects. Without effective mechanisms to enforce the stockholders' interests in the company, i.e., a high rate of return on the invested capital, then the management strays off course and is subject to the forces impinging on it from other sources, such as the governmental bureaucracy and the Naderites.

Our group of stockholders has compiled a Stockholders Bill of Rights to correct this deficiency in corporate governance. It strengthens the stockholder hold over election of directors. We have developed resolutions for votes at annual meetings of stockholders.

Carl Olson
Stockholder Sovereignty Society
Woodland Hills, CA

We Almost Lost New York?

I agree with Adam V. Reed (Aug.) that improper design was largely responsible for the fiasco at Three Mile Island. Also, that these factors are largely the result of government subsidy and regulation. But I most emphatically do not agree that "the most dangerous nuclear plant ever built will not kill as many people in everyday operation as the very safest coal-fired generator nor threaten as many lives as a similarly scaled, similarly situated hydroelectric dam."

Speaking as a lifetime engineer in the energy industries, I believe Three Mile Island could have wiped out most of the population of eastern Pennsylvania, most of New Jersey, and the metropolitan district of New York. I do not agree at all with Petr Beckmann, and I side with John Gofman.

But the most important thing, as I see it, is to remove government 100 percent from all economic and social affairs. Then all of these things would fall into their proper place. Because then all corporations as well as all individuals would be strictly accountable for their acts, and this would insure far, far, better control than government.

John E. Erb
Northville, NY

None of the Above

In your August "Milestones" (Trends), you mentioned NOTA's great showing in the May '80 Democratic primary in Nevada. All very true, but why did you headline it: "If Only He'd Campaign"?

Having known NOTA for years (as well as anybody can know such an independent soul), I think she's a great campaigner. True, she's only on the ballot in Nevada. But it's so hard for independents to get ballot status, you know.

Anyway, thanks for the mention.

Auntie State

Perplexed

After reading Tibor Machan's article "Why 'Economic Man' Is Not Enough" (July) three times, I still have one burning question. Huh?

Timothy G. Hoff
APO San Francisco, CA

Enlightened

I enjoyed Tibor Machan's article "Why 'Economic Man' Is Not Enough." It serves to explain (much better than anything else I have ever read on this) why so many intellectuals, past and present, tend to side with socialism over capitalism, the explanation being (collecting his argument now) that they first accept the false alternative between atomistic individualism and collectivism and then, for want of better, side with collectivism. What I could never understand is how anyone, least of all intellectuals, could honestly believe that the individualism basic to the defense of the free market must invariably be of the narrow Hobbesian sort. It seemed too obvious a strawman.

Florian von Imhoff
Boston, MA

Alcohol Booster

In reading my July issue of REASON I noticed the ad on the back cover about the book by James Davidson entitled *The Squeeze*. My eye was drawn to the question about the energy crisis or squeeze and whether it is caused by inflation and political policy. I want to comment on the political policy aspect of that question in light of Carter's recent energy "summit" in Europe, where a group of nations agreed to a policy of "synfuel" development. Upon Carter's return

home, a $20 billion synfuel bill was signed into effect to develop synthetic fuels from coal, oil shales, tar sands, etc. I did not see any mention of alcohol as a major element in easing our fuel dependence, in spite of the fact that Brazil as a country is committed to going for 100 percent alcohol-fuel usage.

It has been difficult to understand the reluctance of the big oil companies to embrace alcohol as an additive to their petroleum products since up to 30 percent is usable in today's cars. It is a liquid fuel that readily can use the transportation, storage, distribution, and marketing facilities already established. In fact, I understand that production facilities in oil refineries, such as the fractional distillation of alcohol, can be used with minor alterations and without the catalytic cracking equipment. The reason for this reluctance turns out to be more economic and political via tax benefits for the big oil companies.

Almost as if they could see the energy crisis coming, the big oil companies have, without exception, diversified into various other holdings, with alternate energy sources such as coal and uranium predominating. Much of this was done several years before our present energy crisis. Now that synfuel is a political reality, such tax benefits as mineral exploration costs, depletion allowance, and capital asset depreciation on the vast synfuel plants (which can be built with government subsidies and grants) are more readily available. None of these tax write-offs are applicable to alcohol; the oil companies would be uncomfortable with alcohol because of not being able to control the source of their raw material, a renewable resource that any farmer can grow. All citizens should demand equal consideration for alcohol fuel.

Kenneth Taylor
Ridgecrest, CA

The editors reply: Mr. Taylor is about a year out of date regarding the big oil companies and fuel alcohol. Texaco and CPC International have formed a joint venture to produce ethanol; Cities Service and American Maize-Products are doing likewise; and Ashland Oil is talking with Publicker Industries about a similar project (*Business Week,* June 30, 1980). Gasohol provides a way for oil companies to offer a premium unleaded fuel, demand for which is growing. And the exemption of gasohol from federal and many state taxes makes it economical, as well.

HEAR!

Robert LeFevre, Murray Rothbard, John Hospers, Ludwig Von Mises, Nathaniel Branden on audio cassettes.

Single tapes and complete courses by these outstanding libertarian thinkers. For a complete catalog of over 1000 titles write to:

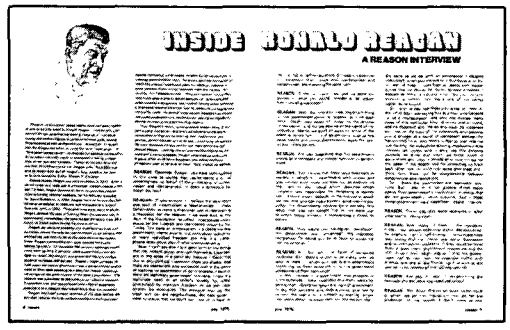
Audio-Forum, Dept. 762, 145 E. 49th St., N.Y., N.Y. 10017 212-753-1783

Have You Seen...

REASON's probing of Ronald Reagan?

July 1975 $1.00

"I believe the very heart and soul of conservatism is libertarianism," Ronald Reagan said in his interview with REASON five years ago. Find out what Reagan meant, and compare it to his 1980 electioneering. Then go on to Eric Garris's profile of another 1980 hopeful, then-new governor Jerry Brown. Check out Mark Frazier's prophetic article on the deregulation of the trucking industry, and Walter Grinder and Alan Fairgate's analysis of the revival of the Reconstruction Finance Corporation. Plus Murray Rothbard's controversial Viewpoint on the fall of Vietnam.



Please send me_____copies of the July 1975 issue of REASON. My check or money order for $_____is enclosed. (Payment must accompany order.)

Name_____

Address_____

City/State/Zip_____

Mail to:
Back Issue Dept.
REASON Magazine
Box 40105
Santa Barbara, CA 93103

brickbats

☐ **American journalism** lived up to every inch of its incredible, self-inflicted reputation when, on the nightly news, major network reporter and part-time economics scholar Michael Jensen brought to us *the* story about the oil glut. In midsummer, tankers were piled up in harbors all over the world, unable to unload their cargoes because of the surprising fact that the refineries on dry land were filled to the brim. Faced with such abundant supplies, though, do you think the Oil Monopolies would think of lowering their prices in response? Hell no! says Mr. Mike. The old laws of supply and demand are out to lunch when it comes to this new ball game of manipulated oil prices, he finds. Now, he did note that gasoline prices had fallen several pennies per gallon at the pump—but it ain't got nothin' to do with the big fat supplies. No way. *That's* only because of "price wars," reports the big-time newsboy.

☐ **Incurable cynics** will probably take to shaky strolls upon roof-top terraces as a result, yet the Truth will not be altered: an American court has endorsed the concept of individual rights. In a sexual freedom case emanating from the already heavily populated Keystone State, the Pennsylvania Supreme Court struck down a statute forbidding "voluntary acts of oral and anal sex." (It had applied only to couples who had not yet committed matrimony.) Not only did this heavenly courtroom discover that "the police power is not unlimited," the judge obviously fell victim to subversive propaganda (the likes of which appears in the Bill of Rights and Thomas Jefferson's private writings) by declaring: "The Voluntary Deviate Sexual Intercourse Statute has only one possible purpose: to regulate the private conduct of consenting adults.... With respect to regulation of morals, the police power should...not [be exercised] to enforce a majority morality on persons whose conduct does not harm others." This kind of thinking could easily get out of hand. Just think about the unemployment problem that would engulf the Washington, D.C., metropolitan area if this reasoning were applied to consenting businesspersons!

☐ **It will never,** rest assured, be applied to consenting consumers. The Food and Drug Administration, for one, will have none of that. They just have too much to protect (and to serve). Example: a new antiviral agent known as isoprinosine—available to save lives in 35 less-progressive nations, including Britain, France, Germany, and Italy—can cure 80 percent of patients stricken with a fatal form of encephalitis which strikes mostly children. But the FDA is withholding approval until the results pour in from a "double-blind" study, an experiment where neither doctors nor patients know which victims are being given the medicine and which are being given sugar-coated placebos. While doctors, for ethical reasons, and patients, for obvious ones, are refusing to participate in such games of Russian roulette, the FDA's Robert Temple, M.D., holds out for Science: "we want high-quality data," he boasts. They certainly do—and they don't care if they've got to kill a few folks to get it, either. To paraphrase a previous massive effort by the federal whizbangs: the government *is* going to make Americans healthier, if not in *this* life, then in the next.

ARMED FORCES RECRUITING CENTER
THE PRICE OF LIBERTY IS ETERNAL VIGILANCE
VOLUNTEER NOW
DRAFT BOARD
THE PRICE OF ETERNAL VIGILANCE IS LIBERTY
REGISTER HERE

☐ **The advanced,** humane, and religiously pure state of Iran continues to pass new milestones on the road to the 12th century. Businessmen are regularly flogged for violating the Central Planning Board's price guidelines, a policy that must secretly delight Al Kahn, not to mention the pain-and-discipline fanatic (and Yankee price-control champion) Preacher John Anderson. Now being lined up against the wall are the notorious Iranian music-cassette peddlers. The Bureau of Campaign Against Sin (actual name; statement of veracity on file with this magazine) in Tehran has instructed the "revolutionary public prosecutor's office" to ban the music tapes on the grounds that they are "unIslamic." While 500 greedy capitalists who make their livelihood selling such disgusting cassettes have protested, the Bureau of Campaign Against Sin must enforce God's Law. Don't expect these 500 to be home for dinner. Another great State offense was committed by two men and two women: the charges were "prostitution, adultery, sodomy, and rape." The verdict: guilty. The sentence: All four were buried in rocks up to their shoulders and stoned to death by an Islamic enforcement gang of five—with the presiding judge casting the first stone. But not all law is so harsh in the Persian kingdom. Terrorist kidnappings, for instance, have been completely decriminalized.

☐ **The American Civil Liberties Union** has taken on yet another landmark case to further the freedoms that we in America cherish so highly. In a well-publicized case, young Walter Polovchak, 12, refused to go back to the fascist Soviet empire from whence he came with his parents, socialist kowtowers Michael and Anna Polovchak. The boyish freedom-fighter has declared that he will not go back to the occupied territory of the Ukraine and is now in the custody of Illinois state officials (and *that's* not even as bad as Russia). Michael's parents have gone to court to force him to come "home." And here is where the ACLU has come to the rescue—to represent the *parents.*

—Thomas Winslow Hazlett

THE DUCK BOOK

- Fed up with our cancerous political system?
- Realize we have a virtual dictatorship in America?
- Sick of Rockefeller's Trilateral Commission's stranglehold on the presidency and government?
- Tired of the hogwash propaganda you are spoon fed daily in your Trilateral Commission's controlled TV's, newspapers, magazines and radio?
- Fighting mad about how our country has been virtually disarmed for their insane one-world government dream?
- Wonder why they are constantly pushing gun control laws?
- Had enough of being pushed into a socialist welfare state by their mad, give-away welfare programs and planned inflation to debauch our currency and break America?

Want to join thousands of patriotic Americans and do someting about it? Check out Robert White's "Ponzi Con" pyramid scheme in the "Duck Book." The "Duck Book" is simply the largest and widest read airport magazine in the world, except the contents are mainly economic and political. It is published by Robert White, the largest runway maintenance contractor in the U.S. Send two dollars, cash or check for a copy of my current 80-page issue. Your money immediately refunded without question if you don't think it's worth a hundred times the price. It's highly recommended by Sir Harry Schultz, Johnny Johnson, R. E. McMaster, Dr. Gary North, Jim Sibbett, Richard Robbins, Michael Linden, Edward Orr, Editor of *Common Sense*, and other well known financial editors.

Yes, send me a copy of your economic "Duck Book."

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Mail to:

Robert White, P. O. Box 3822, Cocoa, Florida 32922

trends

Clark's Tax Cuts

Libertarian Party presidential candidate Ed Clark has released a 79-page white paper laying out in detail his tax-cut and budget proposals. To actually *cut* taxes, rather than reduce the amount of taxes collected, any proposed program would have to eliminate over $87 billion—the amount taxes are scheduled to increase next year (Trends, Sept.).

Clark's proposal seems to fit the bill nicely. Based on fiscal year 1982 figures, Clark would impose a 50 percent cut in federal income taxes in 1982 and increase the zero bracket amount to $7,500 (thus exempting millions of low-income people from paying any taxes, he says). Clark would also eliminate the inheritance tax, customs duties, and the crude oil excise tax (otherwise known as the "windfall profits" tax). He would implement the Capital Cost Recovery Act and a system of educational tax credits to be expanded on in his paper on education. Clark also mentioned a $50 billion military spending cut, with details forthcoming in a white paper on defense.

To compare Carter's 1981 budget with Clark's 1982 budget, let's look at some figures: Carter's estimated revenues are $600 billion; Clark's tax cuts of $180.7 billion would place his revenues at $419.3 billion. A conservative estimate of Carter's expenditures is $616 billion; with Clark's spending cuts of $201.4 billion (partly by abolishing the Departments of Energy and of Education), his expenditures would be $414.6 billion. The Clark surplus of $4.7 billion would be increased by the sale of government property (such as Amtrak and Conrail), adding an estimated $19.7 billion to the surplus. These amounts would be applied to make up for further cuts from 1983 on.

How Many Pilots?

For years the battle has raged: how many flight crew members are needed on twin-engine transports? The Air Line Pilots' Association has long contended that such planes as the DC-9 and 737 should carry three in the cockpit, though most airlines routinely fly them with the two crew members they were designed for. ALPA contends that the third man provides a valuable third pair of eyes, to aid in collision avoidance. Airline officials counter that a third crew member is a needless, costly luxury, especially given the increasing amount of automation on today's jets.

The issue has been brought to a head by the emergence of two new twin-engine jetliners: the Douglas DC-9 Stretch-80 and the Boeing 757. Both are designed for two-pilot operation, but ALPA has filed suit to prevent the Federal Aviation Administration from certificating them for such use. If it loses the suit, it will fight the battle airline-by-airline in contract negotiations.

All of which makes of great interest a statistical study released this year by Boeing. Reviewing accident data over the 11 years from 1968 through 1978, Boeing found "conclusively" that two-crew airplanes were involved in fewer accidents than three-crew planes. What about the "third pair of eyes" theory? Boeing analysts speculate that boredom and complacency overtake crew members with too little to do—especially when the work of two is spread out among three.

Workfare, Not Welfare

The July/August issue of *Frontier* magazine (the in-flight magazine of the airline of the same name) carried an article by news commentator Paul Harvey on the increasing popularity of workfare as a replacement to welfare. Harvey reports that the workfare policy is paying off in at least 21 states. In Tennessee, he says, the previously unemployed welfare recipients earned and paid taxes on a combined income of over $17 million last year. Furthermore, Tennessee taxpayers saved $4 million in grants under the Aid to Dependent Children (ADC) program, $1.3 million in Medicaid payments, and $2 million in food stamps. Harvey said that the Work Incentive Program in that state produced $7.10 in benefits for every dollar it cost, thus refuting the claim that it's cheaper to just give the money away.

The US Department of Agriculture is testing the idea of workfare in seven project sites (five counties and two cities). Although it cautions against judging from preliminary data, it has found that one-third of food stamp recipients in those places could be referred to a workfare program. Of the one-third referred, 65 percent work off the value of their food stamp benefits, while the remaining 35 percent drop out. (In rough figures, this means that out of 1,000 food stamp recipients, 330 could be referred for workfare; 215 would then work off their food stamps, while 115 would simply drop out of the program and, presumably, find work elsewhere.)

Postal Monopoly Broken in Britain

After 320 years of letter-delivery monopoly, the British Post Office will soon have to face limited competition if Industry Secretary Sir Keith Joseph has his way. The government is introducing legislation that takes away some of the Post Office's monopoly privileges, though not in letter delivery. The measures include empowering private operators to carry mail during postal union strikes *and* if the Post Office does not meet certain minimum standards of performance; allowing private companies to carry "time sensitive, valuable" mail for a minimum fee of one pound (about $2.40); expanding the freedom of private document exchange centers (which deal with business, professional, and legal mail) to allow them to deliver bulk mail; and, enabling charitable organizations to deliver Christmas postcards.

Although the proposed changes affect only about two percent of the Post Office's business, Keith Joseph's threat of competition has already resulted in "marked signs of improvement," according to the London *Daily Telegraph*. The changes are not expected to take effect for at least a year.

Saving Cities

What can government do about severely depressed areas, such as Miami's riot-scarred Liberty City? Florida governor Bob Graham's conventional-wisdom answer was to add one cent to the state sales tax to finance rebuilding. That idea drew a sharp retort from Henry Manne of the University of Miami Law and Economics Center: "If you want people to build, you lower their taxes, you don't raise them," Manne told reporters. "The answer is not to get government into the area, but to get it out. Suspend or repeal every building or zoning code, every kind of licensing and permit in that area for, say, five years. Just let people get in there and let loose—in other words, Hong Kong."

Manne's proposal—to make Liberty

City an enterprise zone (see "Salvaging Our Cities," REASON, Apr. 1980)—was quickly endorsed by Libertarian Party presidential candidate Ed Clark. Visiting Miami in June, Clark said that government policies have, "by design or by accident, destroyed jobs, closed off economic opportunity, and kept the poor out of the economic mainstream." Making Liberty City the nation's first urban enterprise zone would be a "simple, radical, and practical" program that would create thousands of jobs, he said. Late in June Manne and several colleagues, including Stuart Butler of the Heritage Foundation (author of the REASON article), met with community leaders to explain the proposal.

The enterprise zone idea gained further visibility in July thanks to Congressman Jack Kemp. He was responsible for its inclusion in the GOP platform at the convention in Detroit. And Kemp has also introduced a bill in the House, cosponsored by liberal Democrat Robert Garcia, who represents the South Bronx. Under that bill—the Urban Jobs and Enterprise Zone Act—federal income and capital gains taxes would be reduced, and local property taxes in the zone would be cut five percent a year for four years. But the Kemp-Garcia proposal would not wipe out building and zoning regulations or minimum wage laws and thus represents only a partial enterprise zone. Nevertheless, the fact that it has attracted both liberal and conservative support is quite significant.

Alternative Education

Once every seven hours, a new private school is being founded somewhere in the United States, according to the Center for Independent Education (CIE). At this rate, it points out, private schools will outnumber government schools by 1990, reversing a trend that began in the 1960s when private school enrollment dropped from 13.6 to 10.1 percent of the national total elementary and secondary school enrollments. Between 1965 and 1975 alone, the number of students in private schools outside the Catholic parochial school system jumped from 615,548 to 1,443,000.

Advocates and practitioners of another alternative to public schooling, home study, have been finding increasing judicial support. In Carroll, Ohio, a family court judge ruled in favor of three related families who have jointly hired a state-certified teacher to educate their children at home for the last four years. Judge W. Don Reader noted in his decision that the violation of compulsory school laws does not constitute neglect *per*

Most Business Lobbyists Undermine Competition

They support protection and subsidies instead of the free market.

The Council for a Competitive Economy is the only business organization in Washington making *a strong, principled argument* for the free market. But we have been told over and over, even by sympathetic Congressmen, that although our arguments for the free market are convincing and persuasive, "the free market is politically unrealistic."

This can be changed . . . *If You Help!*

The Council for a Competitive Economy is a national membership organization of businesses and individuals dedicated to the maintenance of a free market economy, distorted neither by taxes and regulations nor by protection, subsidies, and special privileges for business. We have a program to change the common perception of political realism—to break the monopoly on the *moral initiative* that has been used so effectively for years by the enemies of capitalism.

Our objective is to make the ethical case for the free market:

☐ The right to be in business and to earn profits;

☐ The essential justice of "capitalist acts among consenting adults," to use Robert Nozick's phrase,

☐ The destructive consequences of subsidies, regulations, bailouts, and tariffs.

The arguments the Council for a Competitive Economy is making in Washington are those that other pro-business organizations are afraid to make, because they seem "unrealistic"—because they are based on principle.

William Simon wrote in A Time for Truth, *"Most businessmen today have been more concerned with short-range respectability than with long-range survival. Even more disturbing, they also seek to protect their enterprises by endorsing the very values of their worst enemies."*

In testimony before Congressional committees, the Council always stresses the philosophical arguments, the *moral legitimacy* of private property, freedom of contract, and the right to trade.

Other supporters of the free market destroy their credibility because they are afraid to appear "extreme," so they fall back on productivity arguments alone.

When opponents say, "Capitalism is bad," businessmen answer, in effect, "Well, at least it is efficient." This is obviously not an effective defense.

Even more devastating is the impact of businessmen who preach free enterprise, then use the coercive political process because the voluntary market doesn't serve their ends. Such hypocrisy feeds the moralistic attacks and erodes the credibility of the free market.

But the endorsement and membership support of individuals such as you, who understand the real issues, are crucial to our success. This is no time for pessimism. Write to the Council today for more information.

The opportunity is there . . . If you act now!

Council for a Competitive Economy
410 First Street, S.E.
Washington, D.C. 20003

se—the charge often used against parents who educate their children at home. Meanwhile, the US Supreme Court upheld the Kentucky Supreme Court ruling (Trends, Mar.) that prohibits state regulation of private schools.

In another relevant finding, author Dr. Raymond Moore surveyed organizations that offer home study courses or materials, to find out how many people use them. The number of families that employ home study materials, he estimates from responses, is more than a quarter of a million.

More Clout for Cable

As forecast here in July 1979, the Federal Communications Commission has abolished two of the remaining restrictions on cable-TV. In a landmark 4-to-3 vote, the FCC decided that there is no justification for its "distant signal" and "syndicated exclusivity" rules. The former limited the number of channels from other cities that a cable system could offer, while the latter rule allowed a local TV station that had purchased exclusive over-the-air rights to a program to force a cable system to black out the program if it appeared on a distant station the cable system was carrying.

The decision came in the face of heavy lobbying for the status quo by the National Association of Broadcasters and the Motion Picture Association of America—one or both of which is expected to appeal it. Industry observers anticipate that the ruling will lead to further growth of cable systems, which will now exist in a largely deregulated environment.

New Light on Illegal Aliens

A new study of illegal immigrants from Mexico concludes that there are two kinds of immigrants: *Chicanos,* who want to fit into the American culture and stay here; and *Mexicanos,* who build traditional cultural enclaves here and dream of returning to Mexico one day.

The Mexicanos, who form the bulk of the migrants, want to earn money so that they can go back to Mexico relatively wealthy and with the prestige of having made it *al norte.* They do *not* want to become American citizens and so avoid putting down any roots in this country. As a matter of fact, the study shows, 77 percent would prefer permanent resident alien status to citizenship as long as they are allowed to travel home frequently.

The Mexicanos, unlike some Chicanos, are not interested in politics or political power, nor are they interested in welfare benefits. They simply want to *work:* 80 percent of the respondents said a residency status change would not affect their current jobs (most of them were factory workers) or their job aspirations. The only exception was Mexicano women, who stand to gain much more socially by staying north. (Divorce, for instance, is not allowed in Mexico, and while the traditional *latino* culture allows men to look elsewhere, women are expected to make the best of a bad marriage and look after the babies.)

The study was authored by Dr. Reynaldo Baca of California State University, Los Angeles, and Dr. Dexter Bryan of Cal State Dominguez Hills. Baca and Bryan say their research has more validity than previous studies because they have both operated for more than four years in the Los Angeles area, where their respondents reside. They also used the "snowball sample" technique, in which participants referred them to other possible respondents, to obtain the 1,414 responses used. Baca further points out that their study includes the largest sample of immigrant women ever studied, and since women and children are often bypassed in illegal immigration sweeps, they tend to have a better chance of staying in America.

Newscasters' EQ

Have you ever watched the evening news and raged over the newscaster's well-modulated but oh-so-wrong analysis of inflation? If you've suspected an unconscious government-media collusion on the story behind inflation, you may be right. Economic writer Tom Bethell has produced a study for the Media Institute that provides us with some mindboggling data.

As summarized in the *Wall Street Journal,* Bethell decided to verify the press's image of itself as an adversary, watchdog figure. He studied all the inflation news reported by the CBS evening news in 1978 and 1979 (about 200 stories), as well as four months each of NBC and ABC nightly news in the same period. (He concentrated on CBS because it is the only network to make transcripts of its news shows.) His conclusion: "When it comes to inflation, the networks are content to take government handouts and press releases and to broadcast them uncritically." Newscasters, he found, seem to have no idea that inflation is a monetary phenomenon. Instead, the most frequently named source of inflation is price increases.

Bethell found that a full three-fourths of inflation news originated with the government—although, he sadly notes, never from Federal Reserve data (including the weekly money-supply figures). The same percentage of stories exonerates the government from all blame, he says, "either by directing the viewers' attention to wage and price increases, or by uncritically presenting the case that the price level is at the mercy of external events such as OPEC price increases or bad weather."

Unexpected Allies

A scan of recent newspaper reports turns up unexpected evidence of the persistence of private enterprise worldwide, despite previous government attempts to run the economy.

The self-proclaimed "Marxist-Leninist" African state of the Peoples Republic of Congo, for instance, has a relatively free market in practice, if not in theory. The Congo is especially interesting, as noted in an excellent article by Jonathan Kwitny in the *Wall Street Journal,* because it sits smack across a river from Western-backed Zaire. Zaire is *supposed* to be the free-market, pro-West ally—it has reaped some $6.4 billion in aid from the West, and President Mobutu Sese Seko has been kept in power with the aid of American, French, and Belgian military forces, but people travel across the river from Zaire *to* Congo to trade and escape the Zairian secret police.

Congo has a per capita GNP three times that of Zaire, and President Denis Sassou-N'Guesso has guaranteed noninterference for private investors in agriculture, forestry, mining, and other industries. The proof of the pudding is, of course, market prices, and Congo wins hands down: a cup of beans, Kwitny tells us, is 27 cents in Congo and 34 cents in Zaire; a bolt of cloth from a local textile factory is about $18 in a Congo market, while Zaire has to import its cloth from Europe to sell at $75 a bolt. So despite the Congo's cooperation with the Soviets in such activities as funneling arms to Angola, Kwitny reminds us to look past labels and not reduce nations down to chess pawns either on "our" side or "theirs."

Two other reluctant converts are Guyana and India. In Guyana, after nationalizing 80 percent of its economy, government officials are being forced by bankruptcy to seek investments from international banks and multinational corporations—even two whose assets it nationalized in 1971. Meanwhile, Prime Minister Indira Gandhi's government in India has issued a policy statement allowing companies to import modern technology. The statement noted that the public sector has "performed poorly" in recent years, and while Industry Minister Charanjit Chanana made no promises,

the new policy implies turning over some of the money-losing public units to private management.

And, during his trip to Brazil, even the Pope issued an appeal for social reforms ensuring access to private property. He stressed that reforms must permit all people to have access to property "since this constitutes . . . an indispensable condition for the liberty and creativity of man."

Is Everything Really Getting Worse?

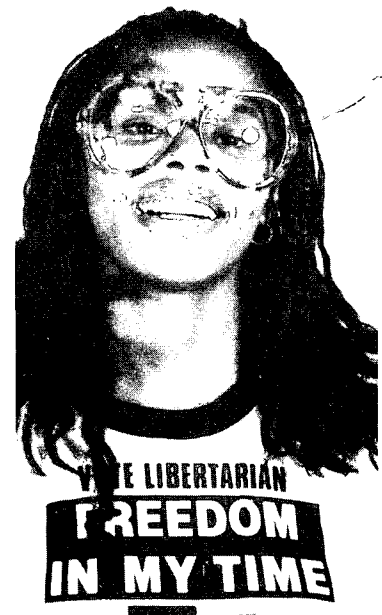
You've seen them in bookstores and heard their authors on TV. . . the books telling us that population growth is outstripping our food supply, resources are being depleted, and the world is heading for disaster. You suspect they may be wrong, but you don't have any facts at hand to verify your suspicions.

If that's been one of your frustrations, check out an important article in *Science*. In the June 27, 1980 issue, economist Julian L. Simon explodes a number of popular myths on these topics. Some examples:

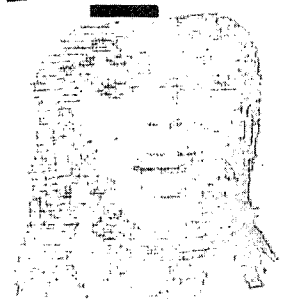
- "The deserts are spreading; the world's arable land is steadily decreasing." In fact, Simon's data show that the world's arable land increased by nearly one percent per year from 1950 to 1960 and by nearly 0.7 percent annually through 1970.
- "Food supplies in less-developed countries are decreasing." The facts are that per capita food production worldwide has increased by 25 percent in the last quarter century. While some countries have done far worse than average, such former problem cases as India now have substantial reserve supplies.
- "The danger of famine is increasing." In fact, agricultural economist D. Gale Johnson estimates that there has been a "dramatic decline" in famine since World War II. Only one-tenth as many people died of famine in the third quarter of this century as in the last quarter of the 19th century, despite today's much larger world population.
- "The United States's prime agricultural land is endangered as urban sprawl paves over the country." Actually, the total land used for urban areas and roads in the United States totals less than three percent of all land area. While about 0.9 million acres of rural land are converted to urban use each, a larger amount—1.25 million acres—is converted to cropland by draining swamps and irrigating deserts.

And on and on, through many other common misconceptions. Economics used to be called the dismal science; with a few more economists like Professor Simon around, economics may finally outgrow that reputation.

VOTE FOR YOU



FREEDOM T-SHIRTS (navy on white) WITH PORTRAIT BLOWN UP FROM YOUR OWN PHOTOGRAPH

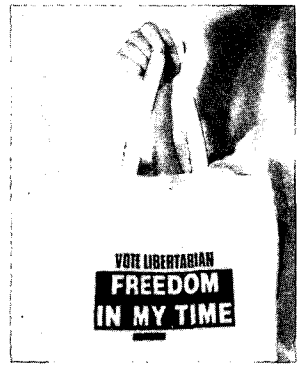


The shirt featured in Oui Magazine's article on the LP! ($6.50, with your own computer portrait)

Let everyone know that a Libertarian vote is a vote for *you* or the loved one of your choice! Send your/his/her photograph — any size, even a wallet photo — which will be returned unmarked and uncut. An extra computer portrait on paper, 11x14", good for framing, will be included with each item you buy. Fast shipment, prepaid. Refund if not totally satisfied.

(P.S. Kids look great on computer.)

Freedom book bag, navy on white canvas ($6.50, with your computer portrait on the other side)



To order yours...

PLEASE SEND CHECK OR MONEY ORDER: $6.50 for each item (20% discount for 5 or more, from same or different photos)

TO: LEONARD RUBIN
4 Bedford Street
New York, N.Y. 10014

(Indicate quantities)

T-SHIRTS S☐ M☐ L☐ XL☐

CANVAS BAGS, 15x15" ☐

1981 CLOTH CALENDARS (with your portrait only, no message) ☐

Name _____

Address _____

City _____, State _____

Zip _____

Not responsible for what Uncle Turtle does to your photos when you send them. Protect them adequately.

Roving CATs

CAT scanners—those computerized x-ray machines that work wonders—are very expensive. Accordingly, they are frequent targets for medical care cost-cutting efforts. The typical response of a government Health Systems Agency is to forbid more than one hospital in an area from buying a CAT scanner—giving an obvious advantage to whoever got there first.

The reaction of private, profit-making hospitals is quite different. No slouches when it comes to cost effectiveness, they seek to get the maximum use out of each $500,000 device. How? By making it mobile. American Medical Care International has 18 CAT-scanner vans on the road, serving 65 hospitals in California, Florida, and Texas. In June the firm ordered enough equipment to field 30 more vans, expanding its service to six more Sunbelt states.

To utilize the van's services, a hospital need only spend $5,000 for a special power hookup, plus operating costs of about $250 per patient. The result, according to AMCI, is surging demand for the service. The company projects that within five years it will be servicing 5,000 hospitals with its scanner vans. AMCI is just one of several dozen chains of profit-making hospitals. Their combined revenues climbed from $2.6 billion in 1972 to $10 billion in 1978. Considering this example of AMCI's creativity, it's easy to see why.

Rationing Perils

Not everyone welcomes the fact that President Carter was finally granted the standby gas-rationing powers he sought for over two years. (The plan allows the president to order rationing in the event of a petroleum shortage of 20 percent over a period of 30 days without having to get congressional approval, effective July 30, 1980.)

At a conference attended by about 60 academic and industrial energy specialists at Stanford University, Alvin Alm, a former assistant secretary for policy in the Department of Energy, flatly said that the present administration's rationing plan would lead to chaos. Alm said the plan is based on an unworkable system of distributing gasoline supplies according to car registration records; his research shows that only 80 percent of the coupons would go to their correct owners. The coupon system, Alm added, would create a new paper currency of coupons two and a half times more voluminous than the dollar currency now in circulation, and he doesn't think the government has the technical ability to supervise such a currency. As an alternative, he proposed lifting government price controls on oil and letting the market allocate gasoline. The entire conference, in fact, stressed nongovernmental solutions to the oil dependence problem and asked for: a relaxation of environmental laws, faster decontrol of oil and gas prices, and accelerated building of coal and nuclear electric plants.

The Department of Energy itself has pointed out the high costs of implementing such a rationing plan and the federal bureaucracy it would create. But, at hearings before the House Subcommittee on Energy and Power, Joe Cobb, director of energy policy for the Council for a Competitive Economy, was the sole witness for a free-market alternative to the rationing plan. In addition to pointing out the economic and political fallacies of the plan, Cobb warned that "millions of people will not even think about making their individual contingency plans if they believe you are already taking care of them."

And Now... Competing Utilities

In July, this column reported the views of energy analyst Roger Sant that electricity production can and should be opened to competition. A year earlier we reported on a doctoral thesis that documented competitive electricity distribution franchises in common use around the turn of the century. Could it be, we wondered, that the whole electricity business could be carried out competitively?

Hang on to your hats, folks, because we've located just such a situation. It turns out that Lubbock, Texas (population: 160,000) has not one but two electric utility firms. Both investor-owned Southwestern Public Service and city-owned Lubbock Power & Light serve the *entire area* of the city; each has its own poles and lines. Does the arrangement result in higher prices because of all that duplicate equipment? Apparently not, since the lively competition between the two firms keeps the rates low. Lubbock residents pay 5.43¢ per kilowatt-hour, compared with the 5.91¢ that other Southwestern customers pay in Amarillo, 115 miles to the north. For a typical Lubbock customer, that works out to about $60 a year in savings.

More important than dollars, the *service* level in Lubbock is uncommonly high. "You call one of them and they're out in a zip, and they better be," one customer told an Associated Press reporter recently. "If one is unresponsive, we just switch systems." Customers can switch whenever they like simply by giving three days' notice. Generally, each firm manages to hold onto about half the business.

On another front, competition in *producing* electricity is increasing rapidly, thanks to a little-noticed federal law. The Public Utility Regulatory Policies Act of 1978 exempts small power producers from public utility regulation and requires utilities to allow them to plug into their distribution systems. The local franchised utility must agree to purchase power from the small systems at rates based on their "avoided cost"—essentially, the marginal cost of producing an equivalent number of additional kilowatt-hours. Already, utilities like Wisconsin Power and Pacific Gas & Electric are buying electricity from cogenerators, biomass plant operators, and windmill owners.

HUD Hits Controls

The latest rage among many people concerned about the short supply and high cost of housing is to enact "moderate" rent control and condominium conversion ordinances. Both have come under strong fire from Housing and Urban Development Secretary Moon Landrieu.

Addressing a convention of the National Association of Counties in July, Landrieu emphasized the urgent necessity of getting the private sector to build more housing. "You can't do that if we burden the private sector with the constant threat of rent control," he stated. Landrieu also blasted "an emotional response—not a well-thought-out but emotional response—to condominium conversions" by tenants "who want none whatsoever."

Restrictions on condo conversions are argued for on the premise that the conversion of units from rentals to condos decreases the supply of rentals. And since other government controls have reduced the extent of apartment construction, many cities have very tight apartment markets, with vacancies running as low as one percent (compared with a more usual rate of three to five percent). But this argument is logically flawed: since most purchasers of condos are first-time home buyers, each such buyer vacates an *apartment unit* in order to become a condo dweller. The result of the transaction is to reduce the *demand* for apartments by the same amount as it reduces the supply, therefore not aggravating the shortage of rentals.

This proposition is confirmed by a 400-page HUD study of condominium conversions nationwide since 1970. Out of 366,000 units converted, the net reduction in rental availability was only 18,000 (4.9 percent), since nearly all the buyers were former renters. Some 61 percent of the buyers had household incomes under

$30,000, demonstrating that condo conversions generally offer a way for relatively modest-income families to step up to home ownership.

What about those "displaced" by the conversions—renters who moved out rather than purchase a unit? Only 18 percent of them reported "adverse consequences" such as having to pay higher rent or moving to a poorer-quality apartment. And fully 90 percent of these former residents said they were satisfied with their new housing—about the same percentage as those who bought the converted units. Keep these facts in mind when someone proposes stringent regulations on condo conversions in your town.

Milestones

• *26 to Go.* In July, New York State became the 24th to legalize the medical use of marijuana. Marijuana is said to prevent the nausea accompanying chemotherapy and to ease eye fluid pressure in glaucoma cases.

• *Out of the Mouths of Babes.* Charging that the Department of Energy is making a deliberate "effort to discredit regulation" via its gasoline price control system, the vocally anti-oil Energy Action Educational Foundation is now recommending that Carter abolish the controls. Director Edwin Rothschild says that "deregulation...is preferable to the current chaos."

• *One Cheer for the FTC.* The Federal Trade Commission says that import restrictions on five products alone cost American consumers $2 billion annually, while benefits (in terms of workers' earnings) amounted to only $281 million. The FTC thus urged the government to move toward a "free-trade" economy by reducing tariffs and quotas. (The products studied were CB radios, color TV sets, textiles, nonrubber shoes, and sugar—all of which receive some form of government protection).

• *Two Inheritance Initiatives.* Not content with Gov. Jerry Brown's approval of a measure that reduces the inheritance tax for Californians, two separate groups are sponsoring initiatives to abolish the tax altogether. When Assemblyman Don Rogers (R-Bakersfield) kicked off his campaign with Lt. Gov. Mike Curb to get 346,119 valid signatures in order to place his initiative on the November 1981 ballot, it was not widely known that an initiative to end the tax had already been successfully fielded by San Francisco lawyer David E. Miller. Miller advises voters to vote "yes" on both measures if they show up on the same ballot; Rogers recommends his. The one getting the most votes prevails.

• *Japanese Self-Defense.* A national security think tank in Japan urged the Japanese parliament to increase its military defense budget by $1.8 billion, raising defense spending to 1.07 percent of GNP from the present 0.9 percent. Research Institute for Peace and Security head Masamichi Inoki predicted that Japan's per capita GNP will surpass that of the United States during the 1980s and that equal partnership would probably be a strain.

• *Brothel Bust Protested.* Out of the 2,500 residents of the city of Deadwood, South Dakota, some 1,000 signed petitions to restore the brothels that were closed by state authorities in May. Deadwood is one of the "gold rush" towns, whose brothels were part and parcel of its Old West pitch to tourists (they also added $1 million a year to the economy). State authorities had decided the existence of brothels "injures the morality and reputation of the city of Deadwood."

• *Surprising Surplus.* The minimum number of signatures has been gathered for a petition to put binding 25 percent tax-cut initiatives on the November ballot in DuPage and Lake counties, Illinois, a move sponsored by the National Taxpayers United of Illinois. NTI head James Tobin is also kicking off tax-cut initiatives in Peoria and Tazwell counties. In Tazwell, he says, a $5.6 million unencumbered surplus (cash and investments) at the end of last fiscal year could have been used to abate all property taxes and operate the county government for at least 17 months.

• *Golden Hopes.* Rep. Ron Paul (R-Tex.) has announced plans to merge his two gold standard bills into one. The omnibus bill would end legal tender laws, which require people to take government money as payment for services, and would make Federal Reserve notes convertible to gold at a market rate. At the same time, the *Wall Street Journal* applauded the Republican Convention's platform plank calling for a return to a "dependable monetary standard" (i.e., the gold standard).

• *Privacy Upheld.* Superior Court judge Edward J. Wallin ruled that inspectors from California's Industrial Welfare Commission cannot examine the wages and working conditions of workers on the job without first obtaining a search warrant if the employer does not voluntarily consent to the inspection. The IWC sets and enforces minimum standards for wages and working conditions for some 6 million workers in California. It is appealing the decision.

• *Indexing About-Face.* When opponents of tax-slashing Proposition 9 in California argued against that initiative, they assured citizens that one of its provisions—to index the state income tax—was already the subject of a state law that Gov. Jerry Brown had backed as a temporary measure in 1978. Well, Prop. 9 didn't pass, and Brown vetoed the bill that would have made indexing permanent. Bracket Creep will again be a feature of California's income tax starting in 1982, unless the legislature is successful at a veto override.

• *End-of-Year Sprees.* The Senate Subcommittee on Governmental Operations said federal officials anxious to spend all their budgeted money have wasted more than $2 billion annually in hurried spending in the final weeks of the fiscal year. It chastised the Office of Management and Budget for not addressing this problem, which exists in "identical form in nearly every federal agency." Millions of dollars more are wasted on overtime payments for processing the paperwork involved in the year-end contracts.

—Robert Poole, Jr., and Christine Dorffi

Coming Attractions

• **Presidential Politics:** A look at Barry Commoner's attempt to make bad science into good politics, and, on Ed Clark, an outsider's portrait and insiders' comments on the campaign.

• **An Academic Problem:** Blue-collar parents in South Boston were fed up with the government school system, so they bucked the odds and set up their own private school. Sam Blumenfeld tells how it happened and how it went.

• **Wave of the Future?** Alvin Toffler *(Future Shock)* has been looking into his crystal ball again, and a REASON author has been divining the true meaning of it all.

• **Waste Woes in Wichita:** When the municipal garbage service couldn't compete, Wichita's elected officials decided to regulate the private haulers. But that was easier said than done.

HOUSING

Tangled in Red Tape

BY CHRISTINE DORFFI

PATRICK HAZEL is the stuff America is made of: solid, law-abiding, determined, and hard-working. But in May 1978, something happened to make this 50-year-old war veteran take on an opponent most people simply back away from: the building department.

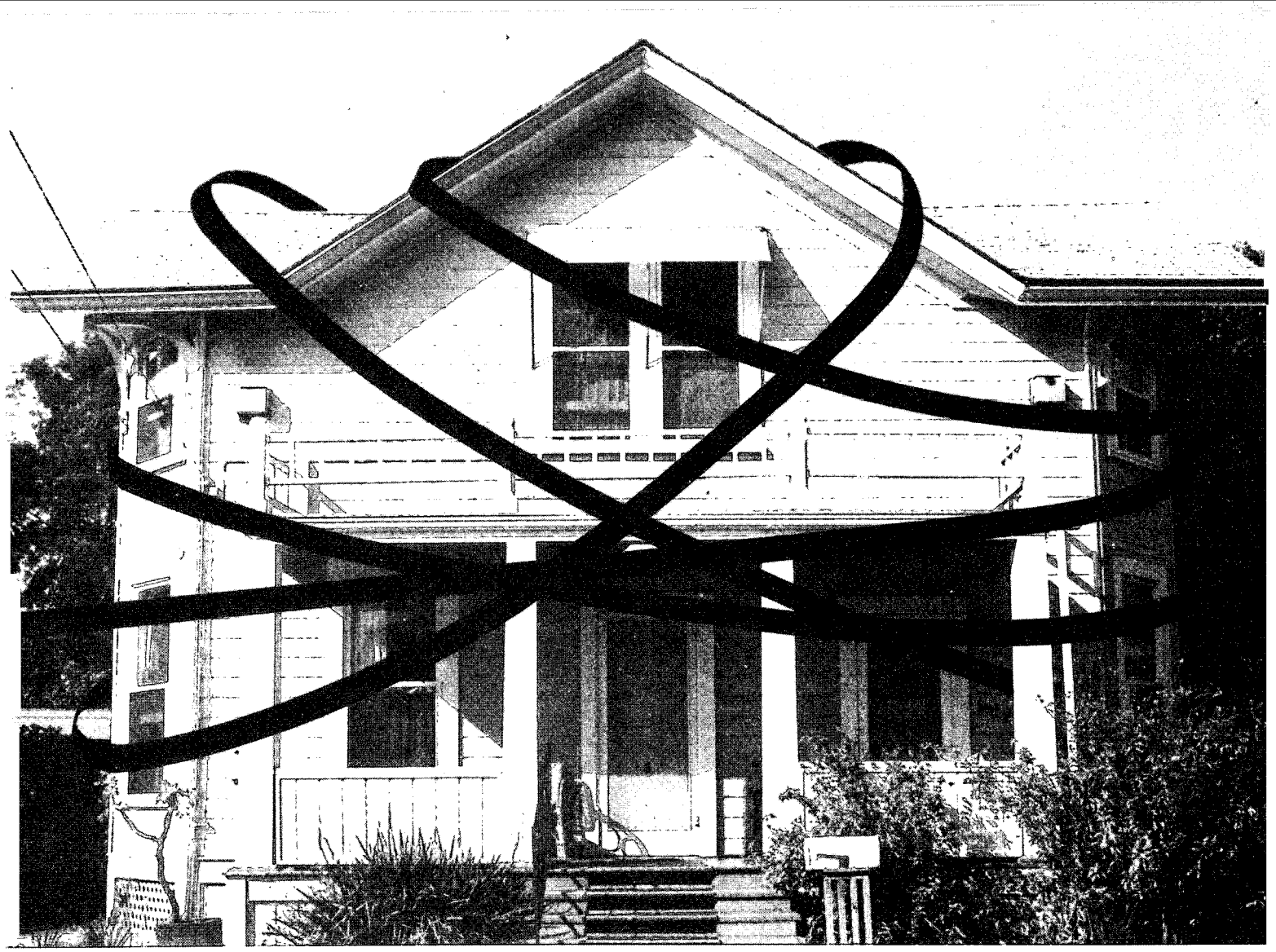
It started when he and his wife, Betty—their children grown and going their own ways—began to make plans to build a smaller house for themselves. That May, they found an irregularly shaped hillside lot, part of a 1928 subdivision, in the Santa Cruz mountains between San Francisco and Monterey, California. After placing a deposit on the parcel, Hazel made a trip to the county building department to find out whether it was a buildable lot—a very simple request, or so he thought.

Hazel was instructed to fill out an application, pay a fee, and submit 12 copies of the plot plan (showing the boundaries of the property and the location of the house). Why 12 copies? Because, he was told, 12 separate agencies would have to evaluate the application, including the Santa Clara Valley Water District, the California Department of Transportation (Caltrans), the Historical Heritage Commission, the county fire marshal, and the school district.

Hazel blew his top. "I don't care how far you stretch it," he exclaims; "what does Caltrans care what kind of house I'm building on my lot? But they can stop me. Caltrans can stop me from building on a lot in an established subdivision that's not even on county, city, or state roads....Twelve agencies," Hazel shakes his head. "That's when I decided not to participate in that process."

Hazel bought the land, deciding to build his house but skip the entire permit rigmarole. Now, almost three years later, he is fighting both civil and criminal suits brought against him by the county. His partly built split-level house sits among redwood and oak trees, covered with plastic to keep out the rain, while the Hazels struggle to keep up with legal costs.

Like Patrick Hazel, most people don't realize the size and scope and



It sounded good: government would help make houses safe with detailed building codes. But today's codes extract a very high price. Isn't there a better way to have safe houses?

power of their local building department until they come face to face with it. And when they do, it's face to faceless bureaucracy. All the laws governing the building of people's homes were intended to provide some assurance of basic safety, of protection from fire hazards and negligence. But today, amidst quite specific height, light, and lot requirements and a whole welter of peripheral red tape, the original intent of those laws has been lost.

STUDS, PLUGS, AND PIPES

The first recorded building regulation was straightforward and stringent. Around 2,000 B.C. the Code of Hammurabi included a provision that "if a builder has built a house for a man and his work is not strong, and if the house he has built falls in and kills the householder, that builder shall be slain." There is no record of how many people made an early exit for this crime.

More detailed building regulations emerged in London in 1189. A "building's court" was set up to rule on boundary disputes, pollution complaints (having to do with inadequate plumbing facilities), and fire prevention. With each passing century, layers were added to the legal requirements pertaining to house and home.

By the early 1900s, the idea of building codes and zoning had caught on in America. In a narrow sense, a building code is a set of regulations laying down the law for construction, maintenance, alteration, repair, or demolition of buildings. Broadly understood, building codes include or go hand-in-hand with regulations that control more than the physical building itself, such as: zoning ordinances, which mandate a building's permitted use, height, bulk, and location on the lot; health standards, such as sanitary requirements and occupancy limits; and such miscellany as sidewalk requirements.

The first housing code was enacted in New York City in 1867, although it was generally not enforced until the turn of the century. St. Louis adopted partial zoning in 1901; Los Angeles, in 1909. In 1911 a huge fire at the Triangle Shirt Waist Company in

New York created pressure for stricter housing and zoning ordinances, enacted in 1916. With a Federal Standard Zoning Enabling Act passed in 1924, the way was paved for cities and states to proceed with comprehensive land use controls.

While the United States does not have one single, national building code, there are four broadly accepted model codes (see box, below). Local communities usually select one of these for adoption, but not without their own embellishments. With an ordinance prohibiting construction and alteration without a permit and mandating site inspections at various phases of construction, the local building department is in business.

Today's building codes typically add up to pages and pages of detailed technical prescriptions. Among other things, they specify materials (for example, 2 x 4 studs), placement (electrical outlets every 12 feet along a wall), and bulk (a minimum 7-foot-6-inch ceiling height in living areas other than baths and halls).

The point of such requirements is benign enough: to protect home buyers, not themselves knowledgeable in the details of construction, from builders who might otherwise not meet standards of sound construction. But this type of detailed specification code, people are discovering, is not without its problems. It is a very rigid system, requiring the building department and its inspectors to go by the book and approve or reject construction on the basis of its meeting or not meeting all the specifications. Innovative products and methods that would achieve the same purpose as the code requirements, but do it better or at less cost, are slow to be adopted. And there can be no stretching of the code to allow for construction more suitable to a particular site or to an individual's particular desires.

If the codes were to be replaced by a set of performance guidelines specifying goals rather than methods—often proposed as a solution to these defects—the system would run up against another problem, pointed out by John McClaughry, a member of the 1977 National Commission on Neighborhoods: the building department's plan reviewers and inspectors would have discretion without accountability, for they are not answerable to the occupants of a building in case of damage arising from poor construction. If the purpose of having mandatory building codes is to protect occupants, the choice seems to be between safe housing under rigid, impersonal rules and flexible guidelines enforced by unaccountable inspectors. This artificial divorce is one of the key issues behind Patrick Hazel's personal revolt.

"GET A PERMIT"

After his initial contact with the county building department, Patrick Hazel went home and reviewed his US and California constitutions. There was nothing in either document, he decided, that told him he had to get a building permit. He resolved to begin construction without one. The three-bedroom redwood house would, however, meet or exceed all the specifications of the Uniform Building Code.

"I was not about to give up my ac-

WHAT'S IN A BUILDING CODE?

Depending on where you live in the United States, you're probably covered by some variation on one of these building codes: the Basic Building Code, produced by the Building Officials Conference of America; the National Building Code, by the American Insurance Association; the Southern Standard Building Code, by the International Conference of Building Officials. These codes lay out, in great detail, building specifications pertaining to structural design, light and air, egress, fire protection, spatial design, and mechanical and electrical systems.

One of the codes is usually adopted on a statewide basis, with local communities often adding their own finishing touches. California's Unified Building Code, for example—a 2,800-page affair—is based on the Uniform Building Code. Every three years its authoring body, the International Conference of Building Officials, proposes amendments to the California state legislature.

Adherence to the code is made mandatory via a law prohibiting construction work without a permit, which is contingent upon plans that meet or exceed the code. In the case of the Uniform Building Code, that means, among other things, that the aggregate window area must equal at least one-tenth of the floor area, that there must be at least one room of not less than 150 square feet of floor area, and that ceiling heights must be at least 7 feet, 6 inches—except for baths and halls, which can be at least 7 feet. Garages must not open directly into a sleeping space, and bathrooms cannot open into a food preparation area. Projecting eaves or cornices may not take up more than two inches per foot of land between the building and the property line. A multistory home may not exceed 20,200 square feet of floor area. And so on.

It's up to the plan reviewer in the building department to make sure that all such details have been incorporated into the plan, and it's up to the building inspector to make sure they're carried out. The plan reviewer, however, is not liable for any oversight that the field inspector may notice later; it's up to the builder to amend the plans. Otherwise, once a plan is approved, the building must be built exactly as designed, even when the code has been exceeded.

In certain states, the plan reviewer must enforce the regulation that buildings over a certain valuation, size, or complexity be designed only by persons professionally licensed by the state. Sometimes, the municipality licenses only a few particular plumbers, for example, whose fees naturally rise with the degree of monopoly they enjoy.

In addition, the building department is obliged to enforce zoning laws, and the plan reviewer must check for particular conditions pertaining to the building's proposed location. The zoning ordinances determine occupancy (use to which the building is put), type of construction materials allowable, location of property, occupant load, and fire zone.

countability to an inspector who was not accountable," Hazel explains. He hired a professional surveyor, structural and civil engineers, and a designer and started building his home. (Hazel himself installs water systems for a living.) "It dawned on me that all the problems I was having were my fault," he says ruefully, "because for all these years I'd done nothing to stop it. And I should have. But you know, you say to yourself, 'Let someone else take care of it.' "

This time Hazel was going to take care of things himself. First he told the county what he intended to do. "From day one I never tried to circumvent or to sneak through anything." he notes. "I sent all the documents required, and I said, 'Enclosed you will find all the necessary documents relating to the single-family residence construction, etc. You will also note that the entire project has been thoroughly engineered.' I then pointed out that I appreciated their offer of assistance but that I would not be requiring either permits or departmental services." But the building department refused to even look at the documents.

In February 1979 the county filed criminal and civil actions against Hazel for failing to get a building permit and beginning grading on his property. By that time the house was actually about 40 percent finished. Under the civil action, the county requested, but was denied, a court order to compel Hazel to tear down what had already been built.

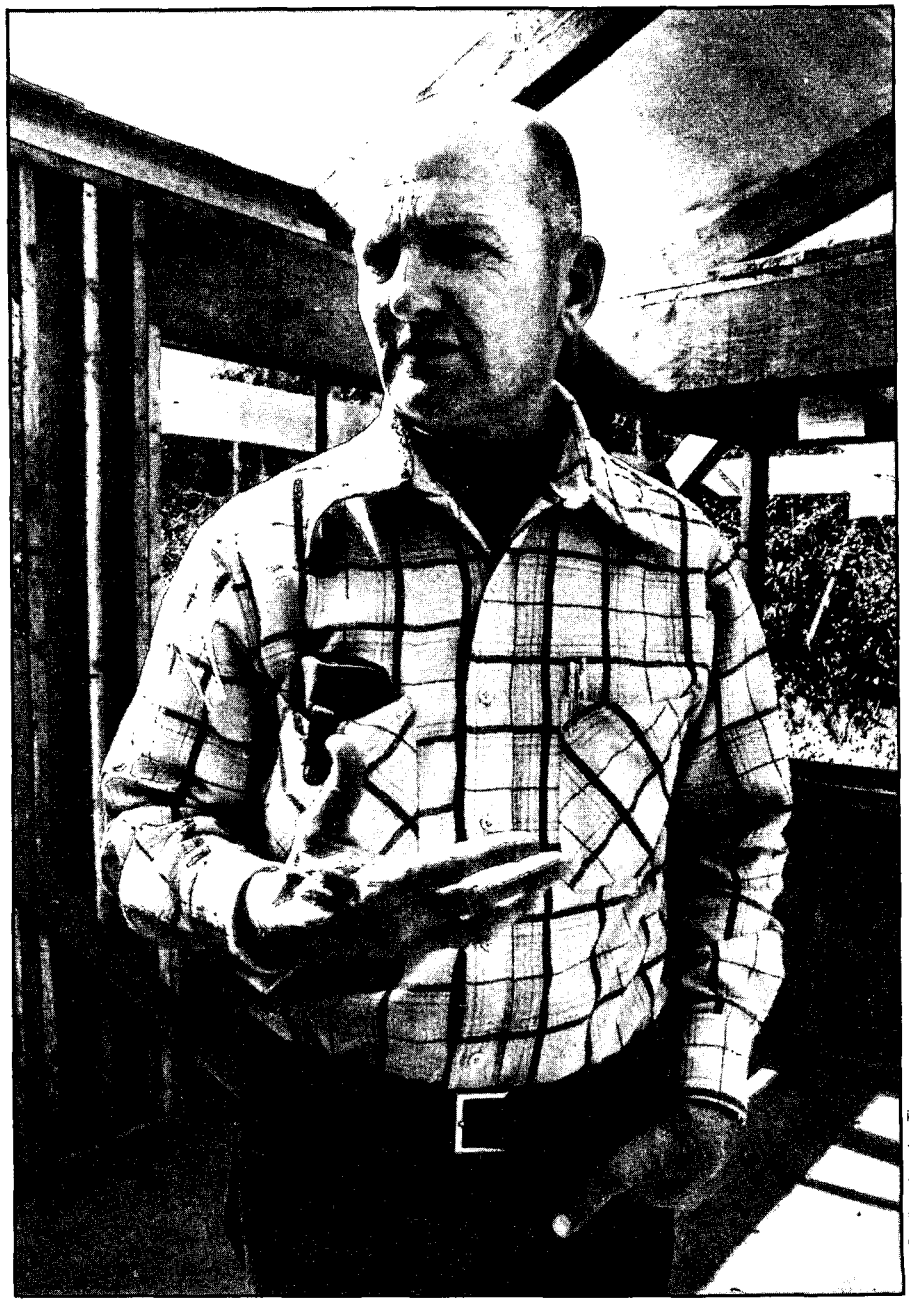
After going to three different legal firms, Hazel found a lawyer willing to take on the State, and the court battle has been raging for nearly two years now. He has been to court several times with motions to dismiss the charges. Although he has been consistently turned down, Hazel reports that one judge said, "I'm going to rule against this, and I hope you appeal my ruling, and I hope you win your appeal."

"What this really amounts to," says Hazel, "is that the local courts do a very effective job of insulating the county government against any kind of challenge. And that's why it's difficult to fight city hall, because they say, 'Well, you have the option of appeal,' But appeals cost many, many thousands of dollars and generally take years. They hope to break you before you reach that point." The Hazels aren't there yet, although they have already spent some $20,000 in legal fees.

To add insult to injury, Hazel's taxes on the disputed piece of property were raised by several thousand dollars "for improvements made." Hazel has appealed that tax, asking what kind of system allows one government department to demand that a construction be torn down while another rules that that vile construction has added $50,000 to the value of the property.

CODES AND COSTS

Hazel does have two disputes with the county that would keep his plans from being approved even if he were willing to go through the permit process. He objects to the county's requirement that the front 30 feet of his property, which adjoins a private road, be "dedicated" in perpetuity (though taxes on it are still applicable, of course). He is also fighting for the right to install in his future home a sewage disposal system that is unacceptable in his county, although federally approved, consistent with the Uniform Building Code,



Bruce Cox/Los Angeles Times

TRAVELS WITH FARLEY

I WAS STANDING RIGHT HERE THE OTHER NIGHT AND SUDDENLY THERE WAS THIS BLINDING LIGHT AND THEN THE LORD TOLD ME TO BUILDETH AN ARK FOR THE FLOODS WERE ABOUT TO COME AGAIN.
©1980 PAUL FARLEY
2-21
..AND SO I STARTED TO BUILDETH THE ARK AND WOE UNTO ME ANOTHER BRIGHT LIGHT APPEARETH.
BANG! BANG!
COUNTY BUILDING INSPECTOR! WHAT DO YOU THINK YOU'RE DOING?
Chronicle Features

and allowed by the codes of several other counties in California. This system, maintains Hazel, is more efficient for a hillside location like his.

Rigid requirements like that are driving up the cost of housing all across America. According to a recent study done by George Sternlieb at Rutgers University, almost 20 percent of new-home costs—an average of $12,000 per house—is attributable to overregulation of home building. Fred Case of UCLA's Graduate School of Management estimates that when the costs of governmental regulations and review procedures are added together, it may account for as much as 40 percent of the price of new homes.

Just how the present building code system adds to costs is explained in the report of the 1977 National Commission on Neighborhoods:

- The diversity of code requirements from jurisdiction to jurisdiction makes it impossible for both manufacturers and builders to lower costs by producing a high volume of the same item.
- Specification codes make creative innovation difficult and give manufacturers and unions an opening for influencing code requirements for their benefit.
- Stringent code requirements can be used to discriminate against lower-income families (who do not contribute to the tax base as heavily as middle- and upper-income households). The process of obtaining a permit has become so onerous in some places that construction is discouraged, raising the market prices of existing structures and further squeezing out lower-income owners.
- Rehabilitation is discouraged, since even the simplest repair requires obtaining a permit (and paying for both that and site inspections), and the site inspector often finds other conditions that are not up to code and must be fixed.
- Because the heads and members of the building code bureaucracies are often ex-union tradesmen, it is difficult to get permits for nonunion jobs. In addition to raising the cost of the job, this union favoritism has an adverse effect on blacks and some minorities who have traditionally been discouraged from joining certain unions. A similar effect occurs when only licensed tradesmen are allowed to work on a building.

WILLIAM MARINA has learned about the costs of building codes first-hand. A history professor at a Florida university, he also has a builder's license and quite a bit of building experience under his belt. Building departments, he notes, are basically conservative. "They're not willing to listen to different kinds of ideas. I built an ecological house, for example, completely up to code, but they really viewed it with suspicion." On top of that, parts of the code are "entirely capricious." Marina gives the example of Deerfield, Florida, where he noticed that there are no hedges or fences in front yards. When he asked about this at the buiding department, "they said it was to protect people from being attacked by criminals hiding in the hedges." Such unlikely scenarios become enshrined in the building code, while aesthetic value and comfort (hedges can funnel breezes) are ignored.

Some individuals' needs for less-costly housing are also lost in the shuffle of building codes. Marina is currently waging a court battle concerning property he owns in Ft. Lauderdale. He is unable to obtain a permit to build on it because the parcel of land doesn't come up to that city's required 6,000 square feet, although he "could easily build a back-to-back townhouse 15 x 75 feet in that space." The upshot of such lot square footage requirements, laid down in the Southern Standard Building Code that Florida follows, is fewer homes constructed on higher-priced lots.

"I built an ecological house, completely up to code, but the building department really viewed it with suspicion."

Marina made his way through the building code obstacle course to build his own 2,300-square-foot home in Delray Beach for a mere $33,000—with such niceties as cedar wood and beamed ceilings. This basic three-bedroom, two-bath house plus garage, he is convinced, could be built for as low as $20,000, not by any miracles, but by taking advantage of economies blocked by the present system of building codes.

YOU CAN'T BUILD AN ARK WITHOUT A BUILDING PERMIT!! BESIDES THIS LAND ISN'T ZONED FOR ARKS... IT'S ZONED FOR COMMERCIAL DEVELOPMENT..
BUT THE LORD SAID TO ASSEMBLE TWO EACH OF EVERY FOWL AND BEAST AND ALL THINGS THAT CREEPETH UPON THE EARTH AND PUT THEM IN IT
OH, A PET SHOP. WELL, MAYBE THAT COMES UNDER THIS ZONING..
BUILDING INSPECTOR
2-22
©1980 PAUL FARLEY

CODE CONSERVATISM

Because code requirements vary so greatly from place to place, manufacturers of building materials are not able to lower costs through large-volume production of single items. The extreme example of this dilemma is prefabricated housing, which now must be tailored to the small markets defined by local code requirements, hampering much of its cost-reducing

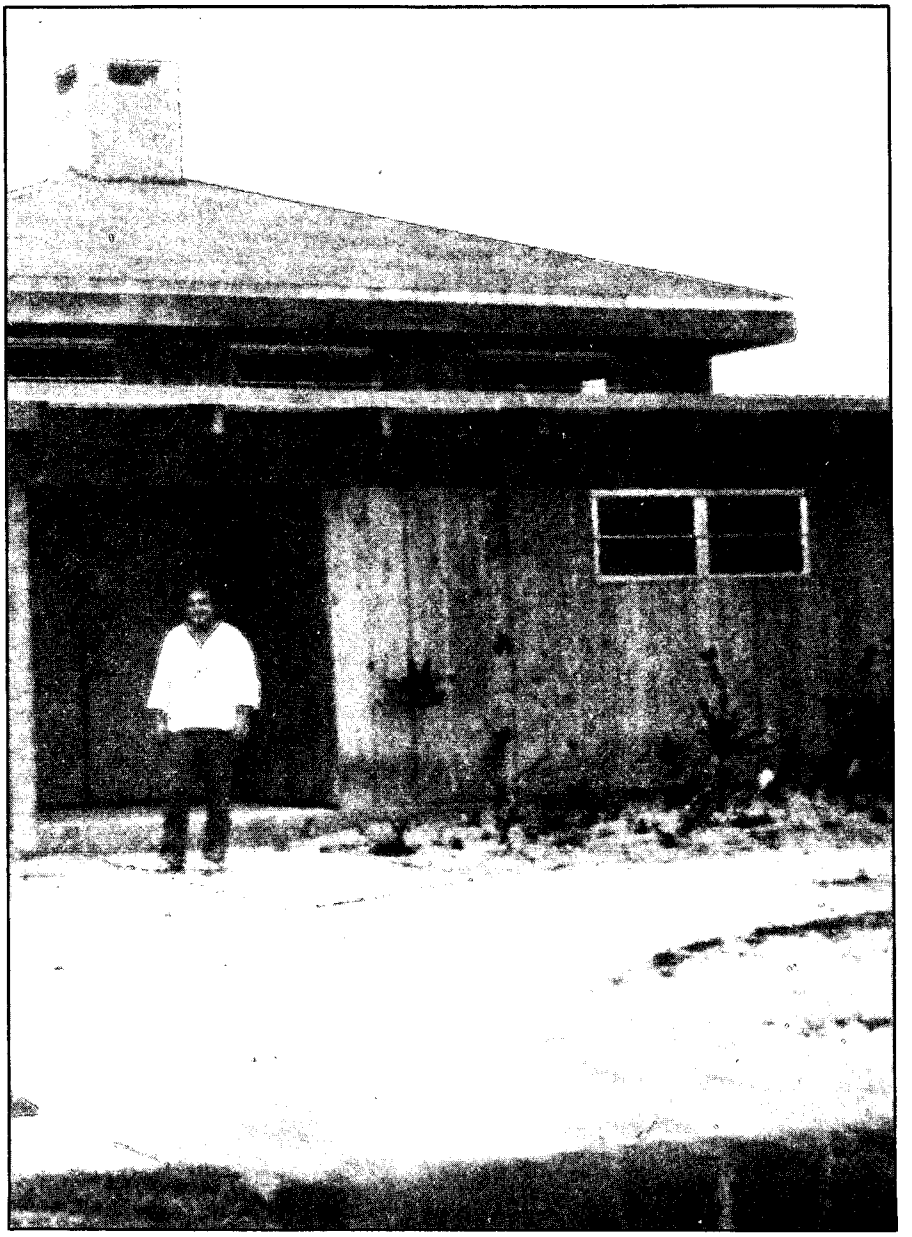
potential. The same problem keeps costs of many parts high. Such things as standardized plumbing cores—prefabricated units for back-to-back bathroom and kitchen installations—are prohibited by many codes.

While standardization of building codes across local and state lines would help to secure such economies in home building, other innovations would not fare so well. The specification nature of the codes is itself conservative, inhibiting the development and introduction of improved and cost-saving technology. Instead of saying what durability standard is to be met by plumbing parts, for example, codes typically mandate a specific kind of pipe. If the price of copper soars, the builder cannot choose a less-costly pipe that serves nearly as well. If the plastics industry discovers that it can make a pipe that matches the quality of copper, the builder cannot switch unless the code is changed—a long, politically entangled process, for the conservatism of specification codes is reinforced by the interest groups they inevitably favor. Instead of saying that interior partitions must be able to withstand so many pounds of pressure per square inch, many of today's codes specify 2 x 4 studs spaced 16 inches apart. For purposes of safety, wider spacing is just as satisfactory. The influential lumber industry, however, would rather see more studs required, and the carpenters' union knows that it takes longer to place studs 16 inches rather than, say, 24 inches apart.

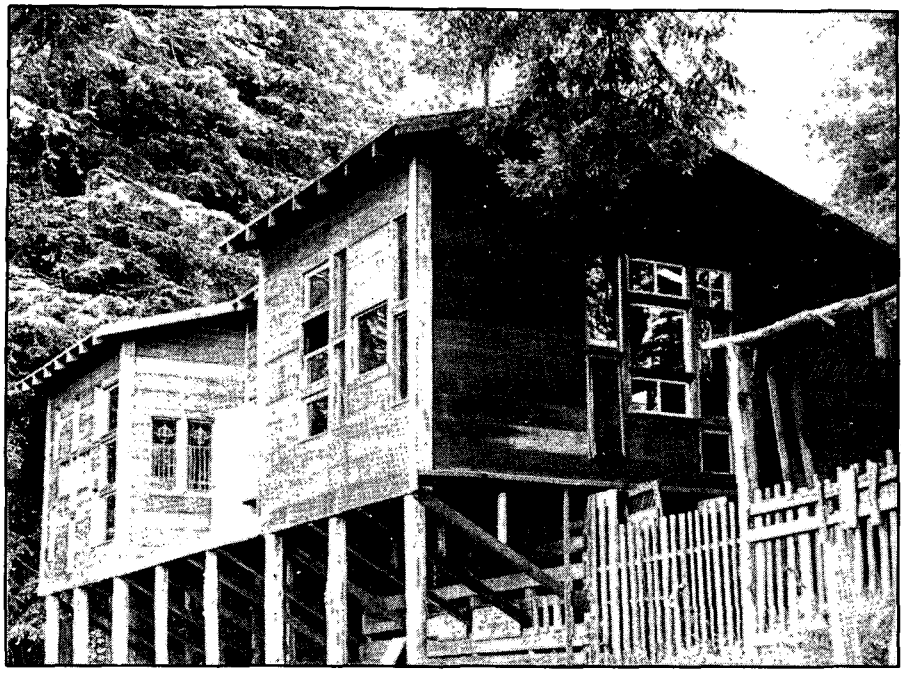
Sharon Oster and John Quigley did a study of regulation barriers to the diffusion of innovation in construction, reported in the *Bell Journal of Economics* (Autumn 1977). Looking at four suggested innovations, the researchers found that their adoption in various jurisdictions was affected by: (1) the educational level of the chief building official, where the better-educated the official, the more likely is acceptance of innovation; (2) the extent of unionization, since unions are less than enthusiastic if the innovation reduces labor input or replaces local labor with other labor (as in prefabrication); (3) the presence of larger firms, producing more units of housing, because they make greater lobbying efforts to secure the adoption of cost-reducing code changes.

Whether it's pushing through an innovation or dealing with the building department on a standard permit, notes builder William Marina, big business has it easier than the small builder/developer or the ordinary family looking to put up their dream house. He sees as a major breakthrough in the building market the big companies that can build their own "cities." (Likewise, Martin Mayer, in his book *The Builders,* explains the rise of "rapacious developers." Restrictive zoning and environmental legislation have made development so shaky a proposition that only big companies can afford to take the risks.) Big business ends up providing lower- and middle-income families their only relief from the costs of housing regulation.

THE "HILL PEOPLE" of northern California found out that individualized housing is harder than building it yourself. In the wheat-colored hills of Mendocino County, these mostly young people tried to exchange the patterns of city life for an isolated and primitive existence, but the building codes pursued them. Buying an acre or two of land upon which to start a community, they pitched in to build their own

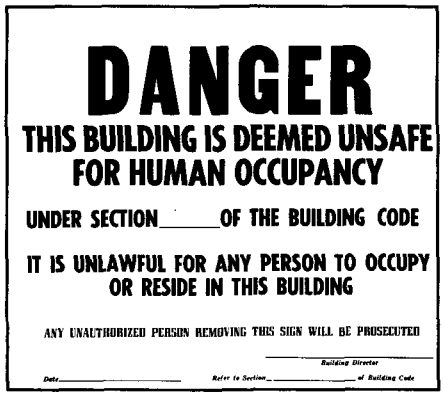


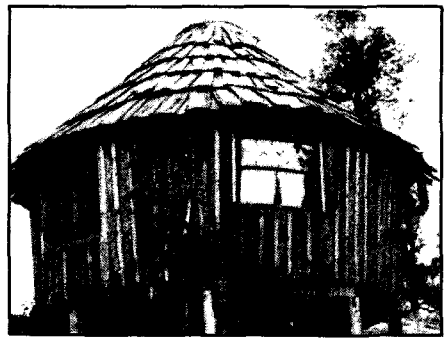
William Marina in front of his self-constructed home



Sally Bailey/Freestone Publishing

A Mendocino home "unfit for human occupancy"


DANGER
THIS BUILDING IS DEEMED UNSAFE FOR HUMAN OCCUPANCY
UNDER SECTION_____OF THE BUILDING CODE
IT IS UNLAWFUL FOR ANY PERSON TO OCCUPY OR RESIDE IN THIS BUILDING
ANY UNAUTHORIZED PERSON REMOVING THIS SIGN WILL BE PROSECUTED
Building Director
Date_____ Refer to Section_____of Building Code



A Mendocino "yurt" of 14-foot diameter

log cabins. Officialdom, however, found a defect in these lovingly built homes: their owners had not bothered to buy building permits nor to obtain certificates of occupancy.

Sometime in 1975, the county grand jury quietly passed a resolution condemning the code violators as "persons who totally disregard building as well as health and sanitation laws." A task force was created to "seek out" the violators (not an easy task), with $200,000 in pocket money approved by the Board of Supervisors. The task force came in jeeps to "red tag" the noncode dwellings: "This Building Unfit for Human Occupancy."

When some of the hill people went into town to see if allowing their homes to be inspected would change things, they were rebuffed. "Because none of us had applied for a permit," John Pateros, ex-IBM salesman and one of the hill people, explained to a reporter, "they were illegal structures. Because of this the building department contended that there was legally nothing to inspect. To apply for a permit, you had to first tear down the illegal structure."

PREVENTING SELF-HELP

What lies behind such "sticking by the book"? Says Peter Grenell, in *Freedom to Build,* building departments' rejection of individualized housing results from "a genuine desire to improve the living conditions of as many people as possible; a fixed idea of what constitutes 'good' housing;...an emphasis on standardization of design and production efficiency; and a consequent disregard of the role of the dweller in the provision of housing. The latter is based on assumptions that...people 'don't know what they want,' or simply that trained technicians 'know better' about laymen's needs than they do."

Such assumptions are what the hill people were fleeing when they took up their alternative lifestyle. In the book *Dwelling,* one of them—a former suburban Maryland housewife who now calls herself River—describes her first contact with the building code: "I remember Duane saying, 'Oh good, you're really hidden down here, well back from the road. It'll be a long time before the inspector finds you here.' 'The inspector?' I exclaimed. 'What inspector?' Richard suggested that we put up signs against trespassers, for even inspectors must respect posted land unless they have a specific warrant. I remember the panic, the resentment, the disbelief, then anger, at discovering that somebody out there had heavy control over how I lived my life; that in this free land, I could not build and live in whatever shelter I chose....Thus began my small but intense campaign to find ways around and through what seemed to me to be a perversion of the law, and of the historical and hallowed goals of the entire country."

The hill people set up an organization, United Stand, and tried to reach all the hill people living in other areas around them. Eventually they found themselves giving their makeshift, but effective, slide show in Sacramento, and outspoken member Anon Forrest was appointed by Gov. Jerry Brown to the California Commission of Housing and Community Development. Forrest, until she went back into the hills, was pushing the adoption of a special category in the existing code, freeing the rural dweller to build a home without many of the requirements, such as plumbing and electricity, imposed upon urban homes.

But United Stand has been rethinking this proposal. As one of its news reports explained: "Since it is clearly impossible to define *all* the safe, sane, and healthy ways in which one can build, it seems to U.S. that simply adding another *definitive* regulation (the Cabin regs) to an already bum law will just compound the problem....What is needed is a *prohibitive* code, not a *directive* one. By defining and prohibiting those conditions which the law seeks to avoid (i.e., fire hazards, pollutants, unsafe

and/or unsanitary housing), our government will take a massive step toward protecting both the freedoms and the welfare of its citizens."

John F.C. Turner concludes in the book *Freedom to Build* that, while building codes have advanced human welfare in countries with high per capita incomes, "their rigidity often contributes to a shortage of safe and sanitary housing." One of the Mendocino rebels speaks in *Dwelling* of the economic burden imposed on many by having to build to code: "I was talking to a man, a representative of a Mexican-American organization, and he wanted to know...about housing for his people, who don't speak English, and don't get to the Board of Supervisors....I asked him, 'If you could build a house that would be legal for $1,000-$2,000, would you do it?' He got so excited, and said, 'That *would* be the answer.' "

But officialdom would be unlikely to see it that way. In *Freedom to Build,* Peter Grenell recounts a telling situation: "A dedicated Indian construction official of the U.S. Bureau of Indian Affairs could not accept the idea of building adequate, though spartan, housing for his people in the absence of funds for up-to-standard accommodations, even though to build nothing would mean that many Indians would remain in tents and hovels through cold winters." For those in the lower end of the economic scale—whether by choice, like the hill people, or by circumstance—building codes can be even less than a mixed blessing.

LEE NASON is the only woman she knows of in New England who does what she does: managing some $10 million worth of construction a year for various owners, including rehabilitation and restoration. Here, too, building codes often have the effect of squeezing low-income people out of affordable housing.

Nason, who has been in the building industry in Massachusetts for 10 years, hires the architect, makes certain that the design meets the needs of the owner, and then plunges into the zoning and permit approval process. Armed with a masters in architecture from the Massachusetts Institute of Technology and a bachelor's degree in engineering, she is chock full of criticism of the miasma of building controls.

"I spent 30 percent of my time dealing with building inspectors on one building alone," she recalls. "Overall, I use up 20 to 25 percent of my week dealing with codes, preparations for hearings, dealing with code violations. It is extremely burdensome." Until recently each town in Massachusetts had its own local version of the building code. Although there is now a mandatory statewide code, Nason charges that there are still so many differences of interpretation and special terms in different towns that she can't use the same design in two cities.

SAFETY PROMISES

Nason is angered by the fact that adherence to the codes can sometimes *raise* safety problems. "In one city, I was doing some $250,000 worth of renovation on an exciting Bullfinch building in the downtown area. The

Lee Nason and foreman Jose at construction site

original builders had installed fire shutters with heat sensors which shut windows in case of fire, and in this case protected the building for several hours. The shutters were put in about 40 years ago, so I couldn't get replacement parts and had to pull them off. Now, I either had to put in new ones at a large cost—and they would have to be replaced 40 years later—or completely block off the windows, which looked out into an alley anyway. Unfortunately, the amount of windows was so substantial that it fell under the Energy Code, a Massachusetts regulation. Before I could close down those windows and protect my building's occupants from fire, the Energy Code required that I have a study done to examine the energy loss, which would have cost me up to a million dollars to do. So the codes forced me to choose, practically, between safety and cost. I took it to the courts on the state level, and because it was a Bullfinch building in a part of town they wanted to redevelop, I won my case. But if I had lost, I could have endangered the life of the people in that building."

Another example that raises Nason's ire is fire-rated vestibules, which are mandatory in certain zones. "They wanted the vestibule in a particular location that would have *confused* the occupants in case of a fire. And the fire department would have come in and been confronted by several doors if the building department had it their way."

It's not just fancy buildings that are affected by the building codes when it comes to renovation. Since codes are frequently updated, the requirements that existed when most midcity buildings were constructed are very different from today's codes. The prospect of rehabilitating an older building today opens up such a can of worms that most owners simply cannot afford to even think about it. The drastic reconstruction that may be required in older apartments, for instance, would drive up the rents in those buildings beyond the means of their present occupants.

Even minor alterations can become major projects under the aegis of the building codes. Nason recalls the case of a contractor she knew in a town west of Boston. "It was a family-owned business, been around for 50 years. Well, he got an order to build a simple 30-foot-long sheet rock wall in an existing house, and, because it was for a friend, he said okay. He sent his carpenter out to start on the wall." A building inspector who happened to be in the area noticed the carpenter and ordered him to get a permit. To avoid problems, the contractor got the permit. Then the building department told him he needed to build angled bridging (braces between beams providing added support), with fireproof marks on each piece of bridging. He had to go out and cut the ends of pieces of bridging so that the marks would show. "A simple, inexpensive job turned out to cost him a lot of time and money," says Nason—"plus, he was charged for the building permit and five visits from an inspector!

Rehabilitating an older building today opens up such a can of worms that most owners cannot afford to even think about it.

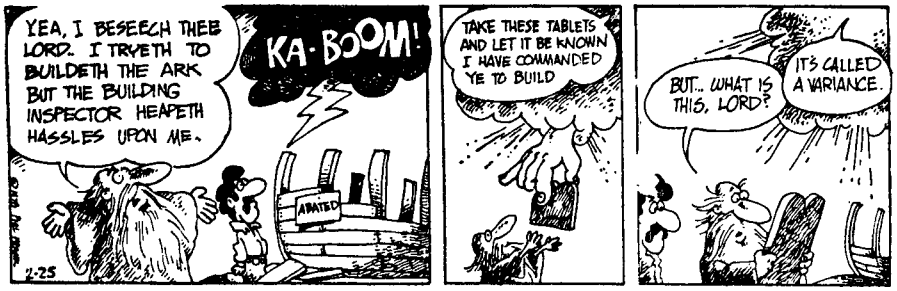
"The government is making promises of safety that it can't possibly fulfill," says Nason in summing up her evaluation of building codes. US government statistics, she notes, show that codes are not effective anywhere in the United States. "More than 90 percent of the buildings studied were in violation of one area of the code or another." And if the government could fulfill its promises of safety, "we wouldn't have any housing." If you think that's an exaggerated claim, she says, look at the Third World. A few years ago, with the congratulations of many people in the United States, some Third World governments determined to wipe out the spectacle of slums and barrios by requiring that all housing henceforth be built to code. As a consequence, she says, many people there don't have *any* housing because they can't afford to meet the codes. The difference in a more affluent country is only one of degree. "Building codes *cost.*"

SO THE BUILDING CODE system is not perfect—but what system is? Are the costs imposed by it simply the costs of protecting homeowners and occupants to the extent feasible? Or is there another way?

Lee Nason would scrap the codes for a system of warranty of merchantability. Builders would guarantee to do what they have contracted to do: keep out the rain, erect a certain floor load, etc. Like doctors, dentists, and other professionals, they would find it advantageous to insure themselves to cover "malpractice" suits. This would protect the purchaser of a building. And the other main concern of building codes—externalities, or adverse neighborhood effects of one owner's use of his property—could be handled by strict application of existing nuisance laws, suggests Nason. Reminding skeptics of the cost and ineffectiveness of the codes, she exclaims: "You're not getting anything with the codes, you know. Without them, you'll at least gain a buyer who'll be more cautious."

Homebru, another of the whimsically named hill dwellers quoted in *Dwelling,* doesn't put much store by the codes either. "You're not supposed to use home-made or second-hand materials in the building of anything you want to live in. The lumber you use has to be approved and grade marked. Well, how do you grade mark your lumber if you make

YOU'VE GOT TROUBLE HERE MISTER. YOU'RE BUILDING AN ARK AND THAT DOESN'T MEET THE BUILDING CODE!
BUT I AM ONLY DOING WHAT THE LORD COMMANDETH.
HOWEVER, MY ORDERS COME FROM HIGHER UP.
HIGHER UP?
THE COUNTY BOARD OF SUPERVISORS.


YEA, I BESEECH THEE LORD. I TRYETH TO BUILDETH THE ARK BUT THE BUILDING INSPECTOR HEAPETH HASSLES UPON ME.
KA-BOOM!
APPROVED
TAKE THESE TABLETS AND LET IT BE KNOWN I HAVE COMMANDED YE TO BUILD
BUT... WHAT IS THIS, LORD?
IT'S CALLED A VARIANCE.

it yourself? If you're in the shake [wood shingles] business you rent a stamp from a group of Certified Graders who live in San Jose. And you stamp your own shakes. They charge you $75 a month to rent their stamp for every month you operate your mill. And then it's legal."

With that kind of "protection," Homebru doesn't see any necessity for a building code. Let those who think it is necessary use it, he suggests. "Then your deed to your property should specify whether or not the house was built under county supervision. If it was, the county should assume responsibility for any mistakes in it. Otherwise, why build under county supervision? If the roof is put on the way they tell you and the damn thing leaks, they should fix it! Or pay for having it fixed!...But the county assumes no responsibility for what they try and make you do."

William Marina would join Lee Nason in placing responsibility squarely on the shoulders of the builder, with the consumer protected by the warranty system. "This is what sailboats have had for years," he explains. "To sell a boat, you first have a yacht-surveying company look at your boat. The surveyor issues a report, which buyers check before closing a sale. And the survey firms rest their reputation on the accuracy of their surveys. It's a system of infinite flexibility with respect to individual buyers' needs and desires," Marina notes with satisfaction. "Building inspectors needn't feel threatened by this," he adds. "They're not the problem. In a warranty system, they would work for the private survey company."

HOW TO PROTECT

The concept of home warranty is not new. Both France and England operate on such an insurance system.

In France, the only public regulation is of fire safety in larger public buildings. Otherwise, the Code Civile imposes strict liability on the builders themselves for the quality and durability of their work. The builder is liable for up to 10 years on main structural components and for two years on secondary components. Four large insurance companies offer liability insurance to the builder for coverage against this sort of claim. To guard against future liabilities, the insurance companies hire inspectors to check on the structure during construction. In addition, French banks generally do not offer mortgages on any building constructed by a builder who does not carry liability insurance, and casualty insurance companies will not insure such a building.

"I remember the panic, the resentment, the disbelief, at discovering that in this free land, I could not build and live in whatever shelter I chose."

In Britain the National House Building Council, an independent nonprofit organization made up of representatives from all sectors of the building industry, maintains a register of builders. Each pays a premium guaranteeing compliance with the council's construction standards. Home buyers who select homes covered by this guarantee get a preliminary spot check of the house, a two-year warranty from the builder against defects, a two-year warranty from the council covering noncompliance with its standards, and insurance providing 10-year protection on major structural defects. The warranties carry an arbitration clause, ensuring quick attention to possible claims.

Home warranties are available in the United States, also, and are becoming more and more common, though builders (and ultimately consumers) end up paying twice: to the government for permits and inspections and to the insurer. The best known of these, modeled after the NHBC program in Britain, is offered by the Home Owners Warranty Corporation (HOW), founded in 1973 by the National Association of Home Builders. The buyer of a home covered under the HOW program has two assurances of quality: a written warranty from the participating builder, who has pledged to meet HOW's standards for workmanship and quality of materials, and a policy from the INA Underwriters Insurance Company protecting against the builder's failure to perform as promised. The insurance is funded by a builder's fee based on the home's selling price.

National Commission on Neighborhoods member John McClaughry reports that "the HOW plan now covers 25 percent of all new for-sale single-family housing in America. About 16,500 builders in 47 states build 250,000 homes a year under the plan." McClaughry notes that HOW councils operate a conciliation and arbitration program, as does the British system, in case of disputes—which usually occur when a participating builder goes out of business. Already, some banks and other lending institutions offer preferential interest rates to buyers of homes with a HOW warranty.

PRIVATE ACCOUNTABILITY

HOW is a first step in the direction of more private-sector responsibility for building safety. And that's where the United States should be heading, says the 1977 National Commission on Neighborhoods. Commission member John McClaughry notes that the municipal building code enforcement system is based "on the supposition that in its absence unregulated construction would lead to threats to public health and safety." The French and British models, however, as well as the presence of safe noncode (or nonpermit, in any case) construction in the United States, have shown that this assumption is not warranted.

In its report, finalized in February 1979, the commission recommends

(Continued on p. 41.)

Confessions of an Environmentalist

A nature lover tells why he gave up on government

by Lawrence B. Dodge

When I think of how completely I once accepted the premise that laissez-faire capitalism and environmental preservation are unmixable states of affairs, I have to marvel at the depth of my faith in those days—that chaotic ten-or-so-year happening now summarily referred to as "the '60s." To pull that same premise through neutral and into an opposite gear—coming nowadays to believe that the environment is in the best possible hands when privately owned and developed laissez-faire style—was a complex but satisfying shift. Satisfying, because for the first time since tackling the accelerating series of environmental issues affecting Montana, where I live, I feel myself getting a handle on the situation, grasping and understanding certain dynamics after years and tiers of disillusionment and frustration. That handle is a political logic that, in my judgment as a sociologist, makes very realistic assumptions about human nature and its implications for the environment. It is called libertarianism.

A SURPRISING VILLAIN

But before detailing my about-face in political philosophy, let me first provide a context: what has happened on the environmental battlefields of Montana. For nearly seven years, concerned citizens and environmental groups fought the politics and pollution of expanding Colstrip, a Montana utility—only to see Units 3 and 4 once again under construction. Others have dedicated themselves to abating the ravage of roadless areas by industry—only to be betrayed by the federal government's series of Roadless Area Review and Evaluation, RARE I, II (and III?). Some of us went to the trouble to document both the lack of need for and the environmental consequences of the proposed Northern Tier Pipeline to bring Alaskan crude oil from Washington State to Minnesota—only to have the president bless its advent. Some have thrashed out the health, environmental, and aesthetic impacts of new power lines on our mountains, prairies, and canyons—only to see the Bonneville Power Administration now out there plotting the various routes.

True, with great effort and coalition, much of the Yellowstone River's water has been spared industrial diversion, and western Montana has been given a temporary reprieve on various unneeded dams by the Army Corps of Engineers and a beleaguered Congress. But synfuel plants are about to come off the drawing boards and into our lives; sites for new centralized coal-fired generating plants are under consideration and solicitation right now; and mineral exploration is proceeding in our wilderness

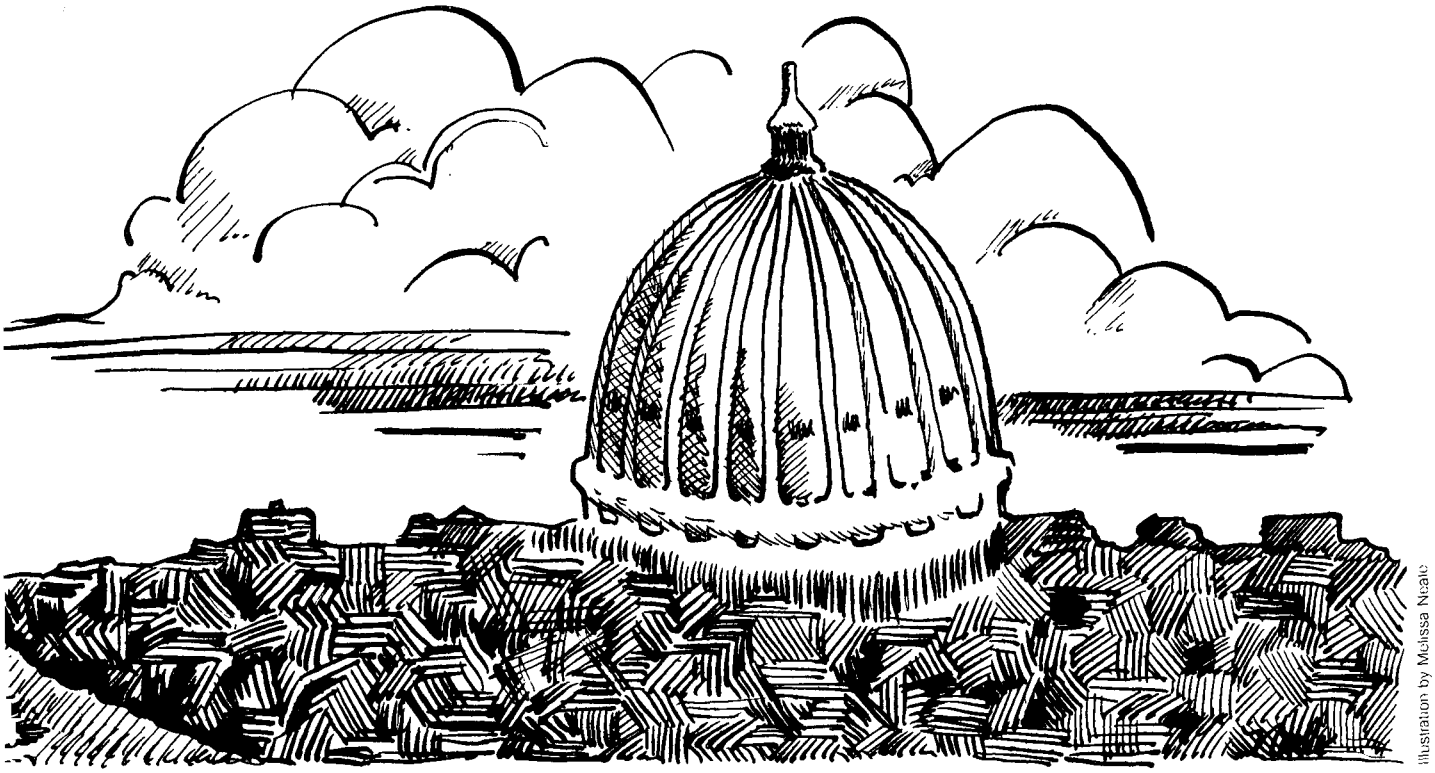


Illustration by Melissa Neale

areas, while uranium mining and shipment of radioactive materials throughout Montana are escalating.

All these things are of concern to those in Montana who are fighting to preserve the environment. The war to date has been waged with an unruffled faith in government as a benevolent force; but as the cumulative evidence now makes only too clear, it has been a false faith. Montana's Major Facilities Siting Act turns out to be totally inapplicable to pipeline construction—for some reason, specifically omitting pipelines from its jurisdiction. The federal Environmental Protection Agency actually disallowed the use of empirical data in favor of models in its decision to permit the construction of Colstrip Units 3 and 4. Between the actions of the Bonneville Power Administration and the federal Bureau of Land Management, much of our state has been opened to debatably needed power corridors—with the clout of eminent domain at hand to usurp private property where desired.

A federal Synthetic Fuels Corporation has sailed through Congress, and sites in Montana may soon be designated for this rapacious, heavily subsidized energy enterprise. The Forest Service continues to punch roads through the wilderness and to authorize some of the world's shoddiest logging practices in order to harvest timber in remote places—at what the Service itself admits is a net economic loss. Meanwhile, what little decisional power we might ever have been able to influence or wield at state and local levels would disappear with the threatened formation of a federal Energy Mobilization Board, which would "expedite" various "priority" energy projects by overriding local objections in favor of the "national interest."

It doesn't take much figuring to see that environmentalists in Montana have been fighting an uphill, losing battle—and the crest is nowhere in sight. Casualties are common and one-sided: the energy developers and even more so the politicians are flourishing, while the environmentalist leadership succumbs to "burnout" in response to loss after loss in legislative and courtroom skirmishes. Many have come to regard an occasional, not-too-horrifying environmental trade-off as a victory.

Some of the fighters have redirected their energies into pet personal projects, many in the field of alternative energy. Others have sought out new, more efficient routes of access to the powers that be, by running for office. The City Council of Missoula, for example, has recently taken some bold environmentalist stands that will be inspirational if and as they survive the barrage of counteractive legal action they will no doubt instigate. A group called Montanans for Public Power is mounting a direct political assault by advocating state/county takeover of all private utilities in the state, with most of the profits to be allocated to alternative energy and conservation. This effort, however, makes use of the political-industrial complex's own hated weapon—eminent domain. Many environmental activists have given up on finding any other outlet for positive energy.

SURPRISING SOLUTION

But there is another way. Several of us environmentalists around the state have (somewhat separately) become convinced that the optimal approach—one that maximizes both individual freedom and environmental quality—is to return as soon as possible to completely deregulated capitalism.

As bizarre as this may seem at first, it is based, not only upon our having witnessed the clear failure of governmental authority to accomplish much of anything in the way of environmental preservation, but upon a simple historic and economic argument: In an era of new frontiers and apparently inexhaustible resources, people operating under laissez-faire capitalism "ravage and run," to put it the worst way; or, to say it another way, they make the most profitable use of resources—which, if they are inexhaustible, means not worrying about conserving them. *But,* that era is largely over with: we are populated border-to-border and sea-to-oil-slicked-sea, and there are no significant frontiers of real property left. There remain practically no easily accessible unexploited reserves of natural resources. Under these circumstances, the most profit will be turned by those who make the most efficient use of what is left—recovering *only* when it makes economic sense; recycling and conserving; replanting and restocking, etc. And the only major obstacle to this process today is the government itself—brought in to harness what were seen as the excesses of capitalism during its heyday on the frontiers, but today abetting the destruction of our environment by subsidizing uneconomic, unconserving ventures.

With strict liability, no private operation could ever afford to desecrate the environment as it is being desecrated today.

This is a totally different approach to the same goals espoused by Montanans for Public Power and stands in stark contrast to other efforts to legislate the condition of our habitat. But there are many reasons why the application of more government will not solve environmental problems, perhaps the most insidious being that a great fraction of our political leaders and representatives are patently purchasable. Special interests whose fortunes stand to expand to the tune of manifold millions and millions of dollars are busy lobbying daily for laws that will ensure their receipt of those fortunes, and they are not at all above spending considerable money on efforts far less legitimate than lobbying.

Then there is the fact that governmental endeavor is nearly never contained by maxims of efficiency and profit, so that government is not only provably corruptible but intrinsically wasteful. Since its functions are very often performed by persons whose chief concern is to preserve their jobs, there is a constant incentive to look useful and essential, even if that entails creating problems to solve. Somewhere in the shuffle, the public interest becomes obscured and replaced by private interests, especially by large, well-financed corporate interests.

ENVIRONMENTAL REALISM

Let me bolster this argument by returning to my earlier contention that libertarianism makes realistic assumptions about human nature and society. It assumes that people do generally look out for themselves first, that greed is real stuff, that money does talk, and that laissez-faire capitalism does have a record of persistent insensitivity to the condition of the environment.

Schools of thought which advocate increased governmental guidance and control, on the other hand, make the unrealistic assumptions that human nature can be legislated; that greed mostly or only afflicts business people, as opposed to government servants; that democracy and altruism can prevail in the long run over money as motivating forces; and that laissez-faire capitalism would today and in the future continue its wanton and ruthless legacy of environmental degradation, if allowed to. The only one of these that deserves discussion is the last, since the evidence on the others is already in.

Business enterprises, in the polar case of a completely deregulated society, would operate under the same minimal restrictions that would apply to all citizens: they would be allowed to pursue any course of action they chose, so long as they did not violate or infringe upon the rights of anyone else or any other enterprise to pursue their respective goals. Infringements are instances of the use of force or fraud by one party against another, and policing and adjudicating those instances would be one of the very few functions of government. Any other behavior would fall outside the realm of governmental authority.

Nearly all of our worst environmental nightmares occur at our own expense, all at least partly subsidized by our tax dollars.

In operational terms specific to environmental issues, this would mean, in the direction of enhancement of capitalistic activities, (1) an end to permit procedures, environmental impact statements, and governmental regulations on the quantity and quality of product, and (2) a very low rate of taxation—just enough to enable the police and courts to enforce the prohibitions against force and fraud. In the direction of constraining capitalistic endeavor—and thus of environmental salvage and preservation—a libertarian system would (1) discontinue the ability of any government or business to condemn private land—that is, would abolish the policy and practice of eminent domain; (2) ensure that all business activities, as well as all personal activities, would be entirely liable for any damage done to other persons or property; and (3) eliminate any possibility of subsidy or governmental favoritism, there being no governmental authority to do anything against *or for* the legitimate operations of private enterprise.

In a nutshell, without the power of eminent domain, without fat governmental subsidies and contracts, and faced with the prospect of account-

(Continued on p. 40.)

HOW FAR CAN THATCHER GO?

Undoing decades of British socialism isn't easy

BY EBEN WILSON

MARGARET THATCHER has been prime minister of Great Britain for just over one year, and in that time unemployment has increased to the highest level since the depression, inflation has doubled, industrial output has actually begun to fall, and interest rates are the highest ever. At the same time, opinion polls show that Margaret Thatcher is more popular now than ever before.

What that doesn't tell you, of course, is what is popular: Mrs. Thatcher herself, or her policies. In truth, the British people, who in general believe that government should be involved in their lives, are a little confused. They have a habit of judging politicians by their track records and voting for the offerings of parties seeking power to govern paternalistically. Mrs. Thatcher's cabinet, on the other hand, has been repeating ad nauseam that things are bad getting on terrible, all the while insisting that the medicine is good for us, and one day we will all look back and agree that she was right. And while the British people want to give her the benefit of the doubt, they don't actually want the outcome of giving it. Strong medicine is a painful prescription.

The strategic kernel of Mrs. Thatcher's policy is simple: bring down the growth of the money supply and so bring down inflation. If ever there were a demonstration of the practical political difficulties of pure monetarist faith, this is it. Money growth is now being held at 11-12 percent a year; inflation is just above 20 percent. That is 10 percent of strain to be taken by Britain's social and industrial fabric.

Treasury Secretary John Biffen has promised "three years of unparalleled austerity." But much of the electorate does not believe that the doctor can really be serious about going through with the treatment. There is a national hunt for the so-called U-turn, that sudden change in policy that will mean that the cure for inflation has been abandoned in the name of saving the patient.

This is undoubtedly a futile search; there can be no U-turn. Mrs. Thatcher's colors are nailed firmly to the mast. "We don't shrink from any task, we shall not stop, however hard the road," she told a recent conference, and quoting Sir Francis Drake she added, "When we endeavor any great matter, it is not the beginning of the matter but the continuing of the same until it is thoroughly finished which yieldeth great glory." For Mrs. Thatcher's "radical government," making itself credible to an incredulous electorate is a crucial task. She has already declared, however unwisely in the face of skeptics, that ending Britain's financial and industrial malaise will take precedence over winning the next election, due in 1984. There has been no doubt from the beginning of this government's term that they are looking for a renewed mandate in 1984 to complete their refurbishment of the nation's economic and spiritual soul.

TRUSTING THE DOCTOR

It is that dual refurbishment that provides the key to Mrs. Thatcher's popularity in the face of so much bad economic news. She really is a lady from the pugnacious mold of the British character that the general public feels is part of the folk heritage of what is not often called Great Britain any more. At the same time, no one can really pin her down. She is not Churchill—he smoldered and stood firm as the Cliffs of Dover in a time of war; she is a firecracker, dogged but not with mule-like stubbornness. She is not from the mold of Elizabeth Tudor—she was an imperial, hard-bitten, scheming spinster; "Maggie" is married, with two kids, openly honest, and known to be extremely nice to those whom she has time for. Her trick is perhaps to be more like

the young Queen Victoria during Britain's great liberal free-trade, free-enterprise era. She remains slightly mystical, never pandering to the press, and in a way the press are still in awe of her. In her enigmatic way she has become a figurehead of morality, patriotism, and courage. Plainly presented, those virtues are much more easily understood by Common Men than the finer points of monetary economics, however often repeated.

These virtues are not just being voiced. Her government's successes in foreign policy are a result not only of diplomatic skills bearing fruit but of personal conviction driven by solidly based principle. It may seem strange to claim as a triumph a Zimbabwean settlement that installs an avowed Marxist leader; it may be confusing for the sporting public in Britain to hear their Olympic champions publicly berated for even thinking of going to Moscow while at the same time being told firmly that it is up to each individual athlete to make his own decision—but domestically these actions convince, and credibly convince, the electorate of Mrs. Thatcher's conviction in her principles and her willingness to act on her views about freedom and democracy.

The principles lie at the heart of the philosophy of the Conservative Party from which Mrs. Thatcher's administration is drawn. Her strong-headed cabinet is proving a refreshing wind in the dusty introspection of a post-empire Britain that up to now had lost its place in world events. Yet Conservative Party principles contain large doses of social paternalism. Mrs. Thatcher may privately lean toward libertarianism—her husband declares himself one—but in the public policy arena she commands, her practices are distinctly social democratic. There is no great revolution in Britain about to take place.

This too places great strains on her credibility. You cannot go on for too long harping on principles of freedom while practicing socialistic programming of aspirations.

COMPETITIVE MEDICINE

A central reason for her government's present doublethink lies in Britain's nationalized industries. The "commanding heights" of the economy, as they are known in Britain—all the public utilities, coal, oil distribution, railways, steel, aerospace, shipbuilding, health, education, some road freight, the docks, airports, post office, and telephones—and a whole string of lesser economic activities have all been under government control and ownership. So far the new government has announced plans to put British Airways (the airline) and British Aerospace (the industry) into private hands, sold some shares in British Petroleum, begun to talk about the return of the shipyards and docks to private owners, and handed back some minor elements like road freight and a few lame ducks previously held under the protective wing of the laughingly labeled National Enterprise Board set up under the previous Labor government. It has also managed to split the post office into two pieces, one for posts and one for telecommunications, and to bring a breath of competition to mail delivery.

"Margaret Thatcher is from the pugnacious mold of the British character that is part of the folk heritage of what is not often called Great Britain any more."

UPI

As a result of this, the National Enterprise Board (NEB) has been left in a strange political vacuum with an even stranger mix of responsibilities. Its prize possession, Rolls Royce, the jet engine manufacturer, was quickly brought under direct control of the Department of Industry when it became clear that the chief of the NEB and the chairman of Rolls Royce were achieving spontaneous combustion at the mere thought of each other. British Leyland, too, which has been a bottomless pit for public money for years, now wants to be run by the Department of Industry. This leaves the NEB with very little. All its larger lame ducks have gone to the other sugar-daddy or have been told to learn to fly.

All that's left for the NEB is Inmos, Britain's semiconductor manufacturing "industry." Born by government fiat, it has already swallowed 25 million pounds of taxpayers' money, produced only a few prototype products, and has now become a classic case of wilting industry due to planning delay. Sir Keith Joseph, Industry secretary, visited California's "Silicon Valley" recently and seems to have been told that Inmos is bound to fail (not a surprising diagnosis from its competitors). They are right: chip inspection and component testing are still being done in Silicon Valley; most of the assembly and packaging is being done in Malaysia and Taiwan. Inmos was conceived as a job provider in the enormously depressed South Wales region of Britain; but even with the demand for employment there, it is doubtful that they will accept Malaysian wages.

The doublethink that is perpetuated stems from the mistaken belief that "something has to be done" by the government even though in fact few have any confidence in the method. It is very difficult to maintain credibility as a free-market enthusiast when you are in the process of setting up a State-financed industry. Sir Keith Joseph's department has solved this by prevaricating continuously—while looking, one hopes, for an excuse to dump the whole thing as soon as possible.

There is a growing danger that half-hearted attempts to use free enterprise will alienate the incredulous electorate even further. With respect to energy, the Thatcher government has generally been willing to let market prices prevail. Oil products and domestic gas prices have therefore been surging upward with world prices, with electricity prices not far behind. But there is no sign of any commitment to hand over any utilities to competitive private control. The public, therefore, persist in their belief that public industries are overstaffed with lazy workers and management exploiting their monopoly power and that this should be cured by more government control—advisory bodies, electricity councils, etc. All the while, the rising prices are blamed on free-market policies.

POLITICAL PAINS

The doublethink of attempting market pricing while shying away from market competition is not universal, and excuses can be made that the political pressures are far too strong to attempt a wholesale unloading of government assets. Market pricing has proved difficult enough, even where it has simply been an attempt to try to show the electorate what their services actually cost them through taxation. When charges on prescriptions for medication under the National Health Service were raised in two successive leaps, there was an outcry from both sides of the House of Commons, despite the fact that the elderly, children, and those on welfare do not pay these charges and that even at their higher level they do not actually cover any of the cost of the medicine prescribed and in many cases not even the administrative cost of processing the prescription!

An even louder outcry, and a defeat for the government in the House of Lords, happened over a plan to charge parents for busing their children to school. The objections were on principle: education shall be "free" and equally available. There was also the political weight of the inescapable fact that much of the Conservative government support comes from rural areas where "free" busing is most valuable. (Rural areas, by the way, are where most small village schools have disappeared, as governments "rationalize" schools into larger and larger units and are now paying the enormous costs of post-OPEC transport for children who previously would have walked to the village school.)

You cannot go on for too long harping on principles of freedom while practicing socialistic programming of aspirations.

Private pricing policies properly executed would undoubtedly provide convincing examples to the most incredulous of the efficiency of the free market and its benefits, especially where consumers saw bureaucrats becoming redundant and a new flexibility in response to consumer demand undreamed of by any social planner. But the half-way house of market pricing without a free market inflicts painful medicine that does nothing to cure the underlying illness.

Within Mrs. Thatcher's cabinet there are those who have the courage of their principles. Trade Secretary John Nott was recently faced with a problem. British Caledonian, Britain's second-largest, privately owned airline had been granted the lucrative London-Hong Kong route by the government regulatory agency, the Civil Aviation Authority. Laker (Sir Freddie) and Cathay Pacific appealed directly to Secretary Nott, claiming that they should be allowed to compete on the route. Nott responded by overruling the CAA to open the route to all three. (Laker immediately offered one-way fares to the Far East for slightly over 100 pounds. Caledonian organized a demonstration in London to protest "unfair competition.")

But that sort of "open skies" policy, which may spread to all Europe's air routes soon (they are highly regulated, and the fares have become extortionately high compared with those in the United States) is relatively simple when it is between private companies. Freeing gigantic monoliths of State "enterprise" to compete in the marketplace is something quite different. There simply is not the political will for it in Britain yet. Instead, there is a touching faith in a medium-term forecast of government spending, announced in advance in good Friedmanite fashion, but with some dubious cracks. It shows the nationalized industries breaking even by 1984, while only last week British Steel Corporation announced that it would have to cease to trade unless its cash limit were increased by 400 million pounds. It also shows local authorities cutting down their spending drastically, but even now the prime industrial city of Manchester has declared itself nearly bankrupt and unable to pay its way.

THE LABOR COMPLICATION

These problems do not worry the government overmuch. There is luckily a huge cushion available for problems like this in the revenues arising from taxes and royalties on Britain's oil reserves in the North Sea. The overall strategy is to cut inflation, and to this end the real energies are expended toward the difficulties of the trade unions, particularly those in the nationalized industries. There is very little understanding in these industries that income earned should be tied in any way to product produced. This gives the preoccupation with the unions some foundation. As a result of years and years of "restructuring" (that is, government subsidy) of these industries, there has always been government money available, and it is established practice for the unions to squeeze the public purse for every concession made.

The government's solution to the trade union problem is the Employment Bill. This has huge public sympathy but rock-solid opposition within the Trades Union Congress. The bill lands in the middle between hard-line public opinion and trade union intran-

sigence. It basically tries to curb the closed shop and to stop secondary picketing of companies not in dispute with the union.

The question is often asked whether, with inflation cured, there will be the need for trade union curbs. A plausible response is that, without inflation to keep them preoccupied, Britain's trade unions will increase their efforts to gain political power. The extent to which they seek power was in evidence when Mrs. Thatcher declared that the government would not negotiate with them—they should negotiate with their employers. The dismay that this caused trade union leaders has been watched with great amusement by many observers and on several occasions has shown up a large gulf between the wishes of union leaders and the wishes of their members. Members adhere to the maxim "more," while leaders have been found to be much more interested in power.

The industrial relations malaise in Britain has a good deal to do with distortions in the labor market arising from a large government sector, heavily unionized and able to pick the taxpayers' pockets. Pay parity between the public and private sector has been a major issue, with comparability studies making things worse. There is an intellectual commitment to egalitarianism among the union leadership, while the man in the street just wants what he knows to be his going rate. Mrs. Thatcher looks like being on the verge of throwing out the idea of comparability studies and basically acting as a proper employer with an "incomes policy" (wage guidelines) for the government sector.

Inevitably, the preoccupation with these problems diverts the government from its main task: proving to the masses that freedom and enterprise are to their benefit. And the effect on private industry of these pressures within the government's own sphere of responsibility can be imagined. Few industrialists are going to bet on the success of an announced medium-term strategy where the government's workers are being offered the alternative of small wage increases or massive layoffs. The industrialist tends to batten the hatches and wait for the explosion in that situation. No credibility there.

It's no wonder that at the moment many of the party faithful among the Conservatives are shouting wolf. Their middle-class supporters are being hurt by high interest rates, while their grassroots industrialist supporters, seeing profits whittled away, are realigning plans for production and contemplating high interest rates and exchange rates. The Confederation of British Industry has already called for selective import controls, and small business organizations are saying that there will be thousands of bankruptcies soon.

IN GUARDED CONDITION

The crunch in the cycle of monetarist policy effect has indeed arrived. Interest rates have soared, output is down, and stocks are depleted; unemployment is moving upward fast; in fact, all the pain that one expects from the cure is here. Everyone now waits to see if the treatment will work!

And if it does—if interest rates break and prices break around the same time, followed by a fairly rapid tumble in both rates, will the government assume their work done and hold off any structural measures? With high oil revenues available to pad out high government spending, the temptation will be to avoid any more denationalization. This would mean that the fundamental problems in Britain remain. The delusion that the nationalized industries are solvent and competitively productive would go on. I do not believe that the government will be able to desocialize much of the British economy, certainly in this parliamentary term. The high unemployment remaining after the monetarist cure will make it difficult to generate the political will to go against the fundamentally socialistic values of the trade union movement whose power base lies in the government sector.

Without desocialization, Britain will be forever unable to compete in world markets. Two cases make the point, showing also the attitudes that Mrs. Thatcher faces in making her programs credible.

While the worker's best friend is alternative competing employers, the trade union movement fights a battle, union member against union member, at a power station construction site. One group is fighting for monopoly power over the craft of turbine lagging in the government-owned power stations. The other group is fighting for power to get some of its members trained in that skill so that they can return to work after many months of a dispute that has cost the taxpayers more than a billion pounds. Both unions are threatening to spread their action if the government doesn't do something about the situation.

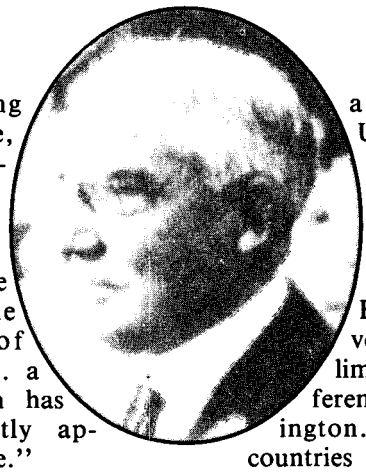
Second, the National Independent Television News service is blacked out as unions refuse to allow transmission of material produced on electronic news gathering equipment. The blacking out comes 10 years after the equipment first became available on the market. This is only one case of resistance to technology in British industry—ostensibly to save jobs, but actually in the long run preventing the creation of thousands of new ones.

And yet you can't help feeling that the chance is there to get through to the people what a free economy could mean to them. There's usually half of an understanding of the marketplace... but in some areas a real blind spot: Tom Jackson of the Union of Post Workers, in a speech to his members: "Let the public understand that if the general letter monopoly is interfered with it will be for doctrinaire reasons. The effect will be substantially to damage the general letter service. Costs will rise dramatically as the profitable large town collection and delivery service is creamed off. Prices will rise for users of the service as a whole, but the rural community will suffer most as its services become either more highly priced or cut out entirely."

It is precisely the credibility of speeches like that that Mrs. Thatcher's government has to combat. The task has begun. Late in July that very postal monopoly began to be "interfered with," as the government announced that certain types of first-class mail could henceforth be handled by competing delivery services. I have grave doubts about Margaret Thatcher's "continuing of the same until it is thoroughly finished" in all the areas it is needed. But I am sure of the "great glory" that could be yielded if she succeeds. ◻

London-based journalist Eben Wilson was associate producer of the TV series Free to Choose. *He writes and produces documentaries and dramas.*

A Few Kind Words for Warren G. Harding



THE REPUTATION OF Warren G. Harding, one this century's greatest presidents, has long been unjustly maligned. The TV mini-series *Backstairs at the White House* has continued this historical tragedy by portraying the great man as a crude, lecherous, cigar-smoking, poker-playing oaf. The legions of Harding devotees should rise in protest at this base distortion.

Harding's utilization of his time while president showed a high degree of imagination and originality, inspired, no doubt, by his conception of the presidency as a largely ceremonial office. He knew instinctively from his first days in office what it took his more exalted successors many years to discover: Washington is not a pleasant place for a president to live. Never did a president travel so frequently or so far in so short a time—Pennsylvania, Maryland, Massachusetts, Maine, Georgia, Florida, Ohio, all of it capped off by a grand cross-continental train trip and sea voyage to Alaska from which he never returned.

When he was in Washington, Harding followed an unvarying schedule of golf twice a week, poker three times a week, and liaisons with his mistress in the White House coat closet as frequently as his Secret Service agents could sneak her in past the ever-vigilant eyes of Mrs. Harding, known fondly to her friends as "The Duchess." "Being president is an easy job," Harding was known to remark.

Small wonder. Harding carried the principle of creative inaction (he called it "bloviating") to its highest pinnacle, a lofty standard never again approached in Washington. As Harding once wrote, the presidency is "an unattractive business unless one relishes the exercise of power, . . . a thing which has never greatly appealed to me."

What did appeal to Harding whenever he turned his mind to his job, were things like peace, prosperity, government efficiency, civil rights. And these were precisely some of the achievements he left the country as his legacy, a legacy long since forgotten by those who prefer to dwell on the Harding scandals.

Prosperity. In 1921, Harding inherited from Woodrow Wilson an inflation-ridden, deficit-financed, highly taxed wartime economy. Harding didn't waste his time searching about for a "moral equivalent of war" to distract the American people. He cut taxes *and* federal spending and then went back to playing poker and other diversions. The people were ecstatic. The economy thrived.

Peace. Harding also inherited from Wilson a burgeoning arms race in naval construction between the United States, England, and Japan. Upon taking office, Harding and his secretary of state Charles Evans Hughes, convened an arms limitation conference in Washington. With the countries duly assembled, Harding lectured them on "the inexcusable causes, the incalculable cost, the unspeakable sacrifices and the unutterable sorrows" of war and then had his secretary of state follow up by announcing to the delegates that the way to disarm was to disarm. Harding left the conference immediately after speaking and did not return until its close 12 weeks later. When he did, agreement had been reached on scrapping over 60 capital ships *and* a four-power treaty between the United States, England, Japan, and France regarding detente in the Pacific.

Government efficiency. Strange as it may seem today, the United States in 1921 had no formal budget process to coordinate expenditures and revenue. Harding, his mind honed on higher mathematics through many hours at the poker table, changed all that and created our first Bureau of the Budget.

Civil rights. Harding, if you believed his political enemies, may have been our first black president. The allegation as to his racial background haunted him throughout most of his public life and was particularly vicious during his campaign for president. If it bothered him, he never showed it. Indeed, he was a consistent and vocal supporter of civil rights for blacks. Shortly after becoming president, he chose to travel to Atlanta, the heart of the confederacy, and deliver a major address calling for political, economic, and educational equality for blacks—the first president to do so since the Civil War.

Let history record: Harding smoked; he drank; he played poker; he kept mistresses; he placed crooked cronies in high government office; he was lazy. But Harding also revered government inaction; he cut taxes; he cut spending; he balanced the budget; he placed men of unquestioned integrity and ability in high office (Charles Evans Hughes at State, Andrew Mellon at Treasury, Herbert Hoover at Commerce, Henry Wallace at Agriculture, William Howard Taft as chief justice); he was the most outspoken president on the civil rights of blacks since Lincoln; he helped create the '20s boom; he achieved genuine disarmament for his times; he kept us out of war.

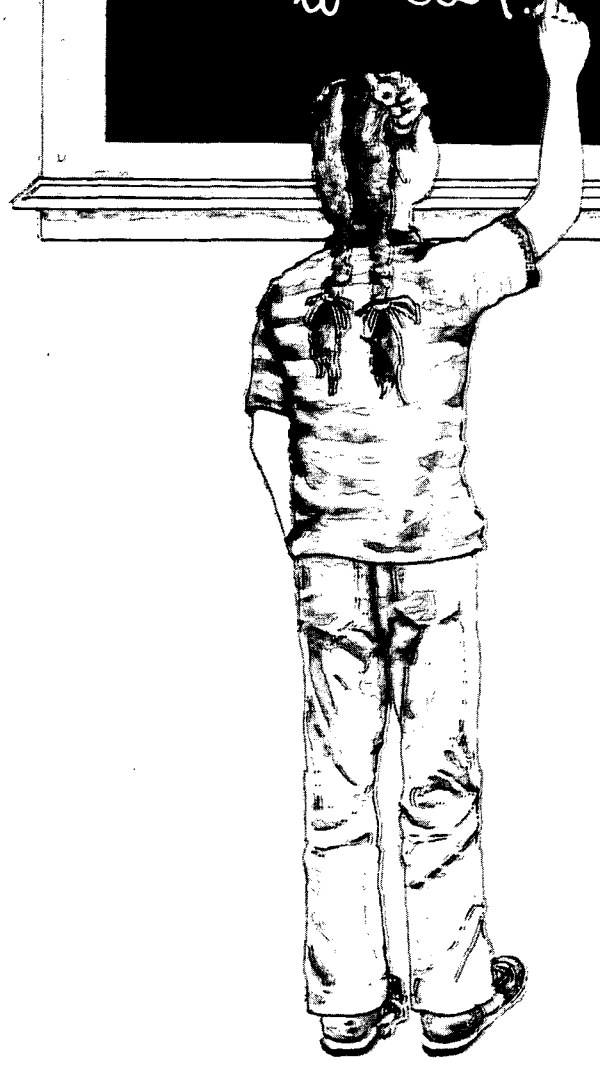
An envious record for only two years in office—one his successors have yet to match, although many have said they were trying. The great man clearly deserves better from history than he has so far received.

by Michael T. McMenamin

Michael McMenamin is an attorney with a Cleveland law firm.

By Peter Brueggen

Everything your child always wanted to know about school but was afraid to ask...



WHAT IS A LIBERTARIAN parent to do about school? As it is now, with little hope of any change in the near future, the State intervenes to tell parents that they must force their children to attend school. Most libertarians object to compulsory education because of the coercion involved. But compulsory education, financed by taxation, is what we have to live with now.

Parents and children could have a greater variety of choices available to them under a voucher system or if an income tax credit could be taken by parents or others who purchased nongovernment education for a child. With parents more financially able to pick the school of their choice from among a variety of freely competing alternatives, the bureaucratic scourge of government schools could be avoided. Unhappily, however, this would not do away with parental power over children. Children would still be forced to obey their parents'

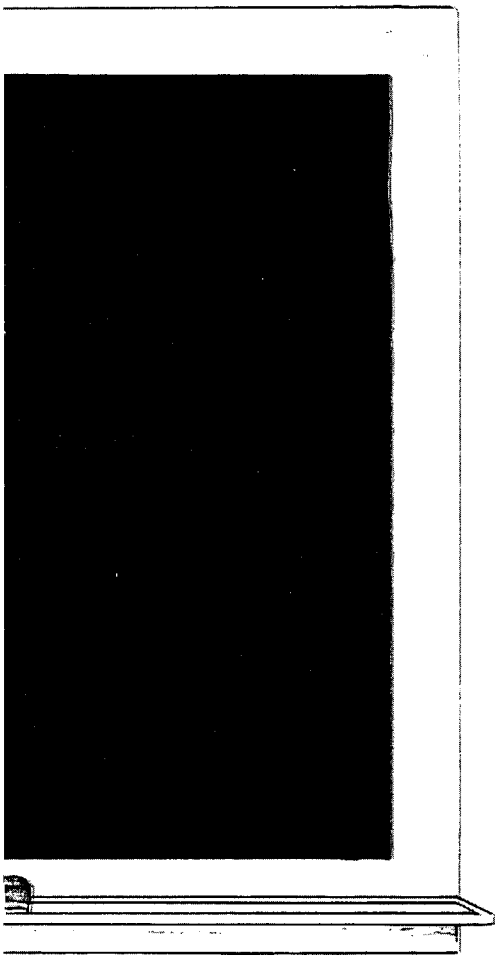


Illustration by Rick Seward

wishes regarding schooling.

Should schooling be treated like a medical or health-related need in which parental discretion must outweigh the very young child's own decisionmaking? I do not have an easy solution in regard to this, though I think that allowing children to choose their own parents would go a long way toward ameliorating the problem. A 10-year-old who disliked his parents' attitudes could seek out another more compatible with him. More important, creating a context of rational, loving communication between parent and child would lead to the solution of such problems between the parent and child.

GETTING ALONG

For our purposes, it is not necessary to get into the pros and cons of compulsory education and its alternatives. Even most libertarians obey the law and send their children to school and, therefore, must deal with compelling their children to attend. This is how I have handled the issue.

First, I have never lied to my children about school. I told them from first grade on that the government made me send them to school. I told them that if they did not enjoy the particular school to which they were going, I would talk it over with them and try to improve on the situation at school through my own interventions or try to find a better alternative. I told them I'd do everything I could in my power to find as happy a school setting as possible and to back them up personally when in conflict with authorities, but that I had decided to obey the law and send them to school.

Second, I told them that they must not take their teachers too seriously. I explained that many of their teachers would be bullies and worse. I urged them to view their teachers not as "authorities" but as "other people," and that they should learn to remove themselves emotionally from emotionally upsetting people. I explained to them how I had learned the art of thinking my own thoughts in boring classes, while maintaining a studious look on my face.

When they came home with stories about nastiness and stupidity in their teachers, I generally accepted their viewpoint as rational (it almost always was), and I tried to figure out ways to help them get along in the situation. Usually this involved their seeing the teacher as a person whose ethics should neither be applauded nor taken seriously. Sometimes it involved my wife or I going to school to back up the child. Usually this amounted to nothing more than reassuring some wretched bully of a teacher that my children had real parents. With such bullies, threats are hardly ever necessary—only a parental presence.

Third, I tried to explain to my children that most of what they would learn in school would be poorly taught, unnecessary, and irrelevant but that any bright person could master it easily enough to enjoy some of the day's events. I assured them that most of their education would come from within themselves, from their friends, and from the pursuit of knowledge on their own.

Finally, I told them not to take the grading system seriously as a reflection of their worth. I also told them that getting good grades had nothing whatsoever to do with "learning" or with "being educated" and that getting good grades was mostly a reflection on the individual's willingness to spew back material in an acceptable fashion. I made it very clear that their report cards meant nothing at all to me but that their daily happiness meant a great deal to me.

As a parent you must recognize that school will not educate your children in becoming free and independent.

Over the years, my children have received fairly high grades with very little studying, but neither of them has tried to be at the top of the class. Looking back over the years, my children agree that they have largely enjoyed school. They have accommodated to the coercive situation by turning it into a social get-together with their friends, against the background of a largely humdrum class schedule interspersed with occasionally interesting educational experiences. Sometimes, they find school-related activities genuinely exciting, such as a relationship with a good teacher, a special study project of some interest, sports, cheerleading, or the school newspaper. I believe that their happiness at school has a lot to do with being loved at home and with not taking school and their teachers too seriously.

LEARNING INDEPENDENCE

The view I am suggesting may seem very radical, but my own experience suggests that many people share it with me. In my private practice, many parents who have no notion of "libertarianism" or "antistatism" realize that public education is largely oppressive and boring. They recall day after day stuck in the doldrums of a classroom. Yet, they have tried to "motivate" their children to "take school more seriously." They feel like hypocrites and they fail to achieve their ends.

I have frequently seen the same phenomenon in regard to religious

training. Nearly all of my clients have looked upon their religious education as fundamentally suppressive and irrational. And yet many have gone on making their children go to church and to Sunday school. It strikes them as a "revelation"—albeit a revelation of a whole new kind—when I suggest that they follow their own judgment and liberate their children from institutional religion.

As a parent, you will develop a much happier and more full relationship with your children if you stop hypocritically enforcing the very institutions that tormented you and made you miserable as a child. In regard to religious education, you can put an end to it if you wish. In regard to compulsory education, you can try to find the happiest solution for your children, and you can teach them the art of maintaining personal sovereignty in the face of external compulsion. You can help them take themselves more seriously and their "formal education" less seriously.

John Holt, an educator who began his career by trying to reform the public schools, now urges parents to keep their children out of school and to educate them at home. This is a libertarian position but one that most parents will find hard to adopt in the near future. Whether or not you have the energy, the time, and the courage to follow Holt's policy, as a parent you must recognize that school will not provide your children with an education in becoming free and independent. Instead, your children will be taught to accept the authority of others in matters where individual reason and individual conscience should prevail. Unless your children are to discover and sustain the truth on their own, you must provide the most important aspect of their education—confirmation of their capacity and their right to think and to feel as independent persons.

In general, I have tried to dissuade my children of the idea that authorities or laws are sacred. There is a superstition that people are morally obliged to obey laws and even to worship laws. I do not think so. Along with Thoreau and a variety of other heroes, I personally believe that the individual is instead obliged to listen to his or her own conscience. Neither you nor I asked to be born into this particular nation, nor even onto this particular earth. I see no reason to hold sacred the particular compulsions laid upon us by our ancestors or by our contemporaries in this or any other society. I happen to like America better than other nations because it permits more freedom and diversity. I especially approve of the Bill of Rights. But in general, I find most of the laws of the land to be coercive and unjust.

On the other hand, overtly breaking laws is rarely in anyone's interest. It leads to all manner of aggravation. Even the most radical antistatist tries not to get into trouble with the government over minor issues, even though he or she has determined to rebel actively, as through tax resistance or draft resistance. Whether my children wish to be rebels in adulthood will be their own business. As far as I am concerned, I want them to grow up with a healthy, happy disregard for all forms of authority and coercion. If they eventually choose to rebel more actively against authority and coercion, that will be their own business. ◻

Copyright © 1980 by Peter R. Breggin

Peter R. Breggin, M.D., is a psychiatrist in private practice. He is the author, most recently, of Electroshock: Its Brain-Disabling Effects. *This article is adapted, by permission of the publisher, from* The Psychology of Freedom, *to be released in November by Prometheus Books.*

Dodge

(Continued from p. 32.)

ability for pollution and other consequences of careless exploitation, no private operation could ever afford to desecrate the environment as it is being desecrated today. Decentralization, a long-revered goal of many environmentalists, would be the natural outcome of these libertarian political circumstances. Cutting corridors across miles of beautiful country would require dealing with citizens who could say yes or no to the prospect and could ask for any amount of money they desired for rights of way should they choose to sell. No amount of lobbying, bribery, or other chicanery could produce a favorable legislative or executive decision, it no longer being the concern of government to permit, finance, or regulate private activity.

In other words, if governed by libertarian principles, it is doubtful that Montana would ever see Colstrip Units 3 and 4 or the hundreds of miles of publicly-built powerlines that they will entail. It would be impossible to designate our state as a "sacrifice zone" for the Northern Tier Pipeline or for any synfuel or nuclear plants, as it has been by President Carter. And who could muster the capital or the permission from the private sector to dam up our rivers if the price tag included, not only right-of-way and construction costs, but reparations all the way up and down the river? But the way it is now, and the way certain dedicated thinkers would lead us, nearly all of our worst environmental nightmares have already or may very soon occur—and at our expense, since every one I can think of is at least partly subsidized by our tax dollars.

TRY IT—YOU MIGHT LIKE IT

Already there are signs of a libertarian turn in environmentalist strategy around Montana, though some are not yet recognized or identified as such. For example, many environmentalists now favor the deregulation of oil and gas prices, because they understand that the resulting free-market price escalation would immediately and perhaps indefinitely promote conservation. The Northern Tier Information Committee is now investing its last-ditch efforts in an effort to convince the state's Public Service Commission to charge the pipeline consortium for the enormous marginal costs of supplying it with electricity for its pumps—as opposed to the way it is now, where those costs are averaged out among all ratepayers in the state. Previously, the Information Committee had been urging the president to let all competing pipeline companies pound Wall Street for financing, especially since consortium vice-president Jim Hodge admitted that, on the open market, the

Northern Tier Proposal would have a difficult time obtaining capital.

Libertarian environmentalism, as I suppose the approach I am advocating may acceptably be dubbed, is also catching on in academic circles around the state, with several strong proponents at the Center for Political Economy and Natural Resources at Montana State University in Bozeman. The practice, if not the complete political philosophy of libertarianism is additionally operative in the work of such private, and very effective, groups such as Ducks Unlimited—a 42-year-old organization that preserves waterfowl habitats—and the Audubon Society, which has recently discovered that it can preserve bird refuges *and* allow controlled mineral extraction within them, turning a tidy profit to help with their environmental causes. And "corporate monsters" like Weyerhauser replant trees on their own land as fast as they are harvested, even as the Forest Service squanders our public timber resources throughout the mountain West.

I believe that more and more environmental activists may come around to the laissez-faire solution as its logic reaches their ears. As novel as libertarianism may seem to this group of people, it is both historic and constitutional; it echoes Jeffersonian thought and mirrors the Bill of Rights. As visionary as it may sound, it is also practical and realistic to postulate a society in which we would largely regulate ourselves. In the era of indefinite scarcity that we are now entering, real freedom appears to be the most promising strategy for habitat maintenance and thus, ultimately, for survival. And that, to me, is the bottom line. ◻

Lawrence Dodge is a faculty affiliate in the Department of Sociology at the University of Montana. An emigrant from urban California, he lives in a small town in Montana and publishes and distributes post cards. This article is adapted from one published in the Montana Porcupine.

Dorffi

(Continued from p. 29.)

that jurisdictions adopt a "basic life safety code derived from present code, covering structural safety, fire safety, and egress," develop a set of performance-based guidelines, and provide for certification by licensed design professionals (architects and engineers) of compliance with, or departure from, these guidelines on larger projects. On all structures, contractors would be required to provide 10-year warranties on major systems and shorter warranties on smaller components. A privately financed arbitration program similar to the one set up by HOW, as well as an information system to publicize the contractors' performance records, would complete the recommended means of consumer protection. Municipal inspections would be reduced only to cases of "specific complaint and a showing of imminent danger to the public." What will happen to these recommendations, like those of all the other commissions set up by presidents and Congresses to address pressing national problems, depends on how the political winds blow.

Patrick Hazel, meanwhile, has broadened his personal battle and is working with California Assemblyman Robert Cline to amend the state's building law. Wending its tortuous way through the legislative process is the State Building Standards bill, which would require California builders to meet the Uniform Building Code. Once an engineering firm certifies that new construction is up to code, an insurance policy can then be issued on the structure. The policy holds the engineer (or builder) liable for any structural defects for the "expected life of the improvement" or 10 years, whichever is less.

"The function of the bill," explains Hazel, "is to transfer responsibility for the building inspection and permit process from the public to the private sector." He sees the bill virtually eliminating the costs to the taxpayer of maintaining a building department, which would merely collect and record documents. And the bill would foster the establishment through the private sector of an insurance program similar to the French system. "An insurance policy not only protects the homeowner but automatically upgrades the level of building in the same manner as the issuing of automobile insurance upgrades competency in driving because the drunk driver is wiped out—he can't get insurance," Hazel points out. He figures that private fees would work out to roughly 10 percent of what the county in which he lives now charges. The county fees on his disputed $100,000 house would come to some $8,100, he says, which would of course be added to the value of his house when it comes time to be assessed for taxes.

Amidst quite specific height, light, and lot requirements, the original intent of building safety laws has been lost.

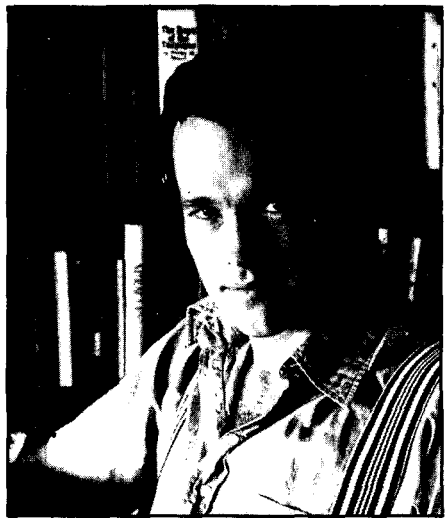
It's not just the Patrick Hazels who would benefit from freedom to build. In the book by that title, the authors describe the new vistas that could be opened up to the less well-off: "The contemporary emphasis on what is minimally desirable in the view of authorities with power to impose specific forms would give way to standards which would define what is minimally feasible. That is, instead of exacerbating the gap between the poor and the better-off by insisting that low-income people build or rent what they 'ought' to have, or, if they cannot, stay in their deteriorating slums, low-income people would be encouraged to make the best of what they have and to do so in ways that do not lock them, or future generations, into new slums."

But Patrick Hazel, too, and Anon Forrest, and countless other Americans, each with different dreams, would flourish under the freedom to express their diversity. And that's the stuff America is made of. ◻

Christine Dorffi is REASON's assistant editor and coauthors our Trends department. She has worked for newspapers and general-interest and travel magazines in the Philippines and the United States.

Confessions of a Travel Junkie

viewpoint



James Dale Davidson

A not very private secret of mine is that I am a travel junkie. I speak of this as a "secret" out of my consideration for the fact that the second "revised" edition of my travel book, *An Eccentric Guide to the United States,* is now hot off the press. The meager sales of the first edition attested the fact that it was an all-too-secret endeavor. In spite of a whispering campaign, begun by my mother, and one advertisement in REASON, the odds against a prospective buyer having heard of the book were many millions to one. Now, the second edition is out. It, too, seems destined to be a secret, shared among the publishers, my immediate family, and me. But if you enjoy passing on secrets, go ahead. A little gossip is good for the circulation.

Of course, every author suspects that his book has been ineptly publicized. In many cases, this suspicion is correct. In many others, the only way attention could be brought to a book is for its author to be implicated in some gaudy crime. This leaves me out. My taste for risk is not of the highest. I last roller skated at the age of five. One solid spill, and I unbuckled my skates forever. Not even the sight of Olivia Newton John doing a tight-pants disco in a roller rink could change my mind. At the age of 10, living out in the country, I was thrown from a horse. That was enough. I thought about going hang gliding. Poking through the file cards in the library to bone up on the topic, I discovered that the classic works on hang gliding technique and instruction cannot be revised. Their authors are all dead—their median age at death, something like 28. I decided not to go hang gliding. I could give you other examples, but you can see what I mean about having a low taste for risk. I have simply never been able to enjoy any endeavor or pasttime that would bring a frown to my insurance agent.

The trouble with this cautious, pedestrian attitude is that it cuts one off from lots of life's cheap thrills. There is no doubting that there is a real excitement in challenging the odds. Some never seem to be truly alive except when they are risking death or, at the very least, grievous bodily harm of the sort which carries with it the promise of a sufficiently long hospitalization to turn one into a Ted Kennedy supporter. I knew a fellow such as that at Oxford—Simon Keeling. Outwardly mild-mannered, he was the person to whom the Ferrari commercials are addressed: "Only he who dares...truly lives." Simon later became president of the Dangerous Sports Club of Great Britain. He led an expedition to Mt. Kilimanjaro. He and several other mad Brits climbed up and jumped off—gliding into the neighboring valley suspended from giant kites. On a trip to California a year or two ago, Simon tied a huge rubber band to the Golden Gate Bridge and leaped off. The only hurt he suffered in the whole endeavor was that he was arrested for obstructing traffic.

I can hear such tales with wonder, but I would never conceive of joining in. If I did, I'm afraid I'd turn the priorities of the operation inside out. I'd find it far more exciting to travel to Mt. Kilimanjaro than to see how close I could come to homogenizing my insides by leaping off. And it is this thought which brings me back around to the topic of this essay: travel. I do find it exciting. It is not always so, of course. Business travel, especially on an exacting schedule, can often be downright depressing. One's bags can be lost. Then there are scheduling snafus, mildewy hotel rooms, and often formidable logistical obstacles in the way of obtaining a good meal. I associate these difficulties primarily with business travel because business considerations are more likely to take one where he does not otherwise want to go. When I travel on my own, just to experience and explore what the various unique spots of the world have in store, the likelihood is overwhelming that I'll enjoy myself.

Having written at length about my American travel experiences in the book mentioned above, I'll avoid the temptation to elaborate here upon what's in store on the back roads and in the small towns of America. That still leaves me free to summarize my experiences in the rest of the world in a few paragraphs. So, with a trumpet blast and a flourish, I hereby share my favorite vacation.

It begins with a flight to Europe aboard British Airways. There is something about the Elizabethan service, so-called, that steps up the cultural transition which travel is all about. The food is normally good. (I admit to liking the veal, pork, and chicken liver pie North Umberland, a game pâté). And there is something fetching about being served by a gentleman who speaks like the butler from old movies. Among other advantages of flying on British Air: they always serve their beef with horseradish sauce and, when arriving in London, the British Air flights tend to be accorded good service by the London Airport authorities. It may only be my imagination, but it seems that when I've flown to Europe on Pan Am or TWA I've experienced more snarls than is the case with British Air. For those who enjoy sampling the "ten channels of listening pleasure," the British Air flights offer an added advantage—the chance to take in some real cockney humor from Tony Hancock or Bernard Cribbins.

Once in London, one settles in at the Connaught Hotel where the food is so incredibly good that it is probably advisable to wire ahead in order to get a reservation for dinner. Another excellent place to stay is the Hyde Park Hotel in Knightsbridge, which has one of the better selections in all of England for afternoon tea. In the evenings, one always has the pick of not one, two, or even a half-dozen selections, but as many as 50 presentations in the legitimate theater, concerts, opera, and ballet.

If you truly enjoy a grand hotel, in the old continental tradition, you'll find it in the Hotel Plaza Athenee on the Avenue Montaigne in Paris. This is the hotel where Mata Hari was a guest when she was arrested during World War I. The hotel still looks the part of a backdrop for the highest level of intrigue. It is elegantly

(Continued on p. 50.)

spotlight

Public Television Maverick

By Patrick Cox

There are probably few readers of REASON who did not watch some of or at least hear about Milton Friedman's *Free to Choose* series on PBS. The importance and repercussions of the series may not yet be fully perceived. One might suppose the mastermind behind the series to be a long-time advocate of free-market economics, a dedicated conservative, or an enlightened corporate public-relations man. Suppose again.

It is Robert Chitester, president of WQLN in Erie, Pennsylvania; once a McGovern Democrat; but before all else an artist—a sculptor, a musician, and a writer with a master's degree in radio and television. He founded WQLN himself in 1966 with the intention of ultimately producing material for more than local consumption.

Until a few months before he initiated *Free to Choose,* Chitester was not familiar with Milton Friedman. But he had already undergone something of a political conversion. It probably started back in his junior year of high school, says Chitester. He had worked to gain the position of best musician in his school in order to win a place in a statewide event. When it was time to send a student, Chitester says, "I was confronted by a teacher who announced that we were going to decide who was going to the event by vote. They voted and sent somebody else." It was Chitester's rude awakening to a system that studiously avoids rewarding merit.

The seeds of dissatisfaction grew until "about four and a half years ago...it suddenly struck me—economic freedom had to exist, or the rest of the freedoms could not. As soon as that became obvious,...it opened the whole world to me. It kind of settled me philosophically in a way that I had never been before. Before, I could commit myself to individual causes with great energy—but I never had a framework within which to be able to sort out issues and to judge them...other than intuition." That insight, says Chitester, convinced him to take up free-market economics as his banner.

It's not going over too well with a number of liberal groups. A spokesman for the Ralph Nader-affiliated Committee for Broadcasting has condemned Chitester's proposal to allow funding of public television shows by the well-heeled alcohol and tobacco industries in order to sever all funding ties with the federal government. It would be a "Mein Kampf...for the conversion of a public broadcasting station into the personal propaganda machine of the station manager," charged the Committee for Broadcasting.

The object of the criticism is pleased that he is being targeted by such groups. "We must be having an impact, or else they'd pay us no heed," he says. "For the first time in a decade, someone is producing some programs that present counter points and views, and the wailing and screaming for a free and open press has turned to a wailing and screaming of,

Robert Chitester

'How can this individual assume to quote personal philosophy?' "

Chitester runs two corporations. One is the local public television station (funded in part from federal coffers), and the other is Public Communications, Inc., a production company put together by Chitester to come up with new radio and television shows. Some of the programs that he carries on the local station cause him such "great anguish," he says, that he was driven to produce his own shows. In addition to *Free to Choose,* Chitester has engineered *Economically Speaking,* a free-market-oriented panel series, and "The War Called Peace," presenting the views of foreign policy analysts about the Soviet threat to US security.

Not all of Chitester's productions will be explicitly free-market or libertarian, although he says they will be geared to stir the viewer's thoughts in that direction. Projects in the works include a special on tuba music and a presentation based on Richard Dawkin's book, *The Selfish Gene,* that examines the biological function of self-interest and competition.

One of the most fascinating of Chitester's projects is tentatively scheduled for October. "The Federal Budget Revue, or the Six Hundred Billion Dollar Misunderstanding" is a satiric musical extravaganza written, produced, and directed by the comedian and advertising executive Stan Freberg. The show, costing over a million dollars, is a comedic exposé of the federal budget. Consultants to Freberg included economists Walter Williams and Roger Leroy Miller. Freberg spent time with Milton Friedman and saw the entire *Free to Choose* series before starting the project.

The idea for the show was the result of a conversation with Charles Koch, a businessman and funder of free-market causes, and George Pearson, the administrator of Koch's contributions to such causes. Pearson, troubled by the lack of media coverage of the federal budget, asked Chitester why he didn't do something on it. Chitester answered, "What do you want me to do, George? Do you want me to get Woody Allen to host the show?" The three laughed, but the idea took hold.

In spite of his friendship with Koch, Chitester has reservations about the Koch-funded Cato Institute. When asked if he considers himself a libertarian, Chitester replied: "I feel very comfortable with the term *libertarian* except as it relates to Cato." He explains that he once attended a Cato Institute seminar and was disturbed when he could not elicit discussion of his questions concerning the view of US-USSR relations presented at the seminar. While Chitester denies that he is a "hawk," he is more concerned about Soviet intentions than the Cato group is. What really disturbed him, however, was their "being not open to full and open discussion of ideas."

In the future, we can look forward to a Chitester production concerning ecology, written and hosted by William Tucker, author of the award-winning *Harper's* article, "Environmentalism and the Leisure Class" (Dec. 1977). He is also working on a series of shows about Russian émigrés and a program comparing Taiwan to Sweden. One of his most ambitious ideas

is a 26-show series based on Adam Ulam's *Stalin,* which he hopes to do with the care and artistry of *Upstairs, Downstairs.*

Chitester already deserves a place in some yet-to-be-established "libertarian hall of fame" for *Free to Choose,* but it is not likely to be his best and most assuredly not his last. The man is an artist with a dedication to civil as well as economic liberties. Judging from his enthusiasm and his track record, the words of the old showman seem particularly appropriate: "You ain't seen nothin' yet!"

Patrick Cox is a free-lance writer.

money

Right to Privacy Under Fire

By Steven K. Beckner

Civil libertarians and investors alike should be concerned about the growing threat to their financial privacy. Washington summers tend to be pretty sleepy, particularly in an election year. But this year, while most politicians and bureaucrats languished, the Supreme Court and the Treasury were quietly but busily rewriting constitutional protections of our privacy—particularly as they relate to financial matters.

Taking another look at the Internal Revenue Service's notorious Operation Tradewinds, the high court overruled a court of appeals decision and decided that it's okay for government agencies to use illegally obtained financial information to convict a third party. You will recall the case of a few years ago. While a Bahamas bank officer was being wooed by a female IRS agent, two other agents rifled through his briefcase and made copies of a client list. The IRS then proceeded to audit those clients, obtaining tax judgments against a few. No violation of those bank customers' Fourth Amendment rights, our "strict constructionist" bench declaims.

About the same time, the Treasury Department was tightening its regulations of domestic currency transactions. And Congress obligingly moved toward expanding Customs authority over international currency movements.

The Treasury announced that henceforth those benighted misfortunates who hold savings bonds and notes must give their Social Security numbers when cashing them. Not to be outdone, the Commodity Futures Trading Commission proposed a rule requiring US brokers who trade on behalf of foreign banks or brokers either to supply the CFTC with information on the account or to close it. The agency sought to bar Banque Populaire Suisse from trading on US markets because it refused to reveal the identity of its clients.

Under such incessant pressure from US authorities, there is evidence that the vaunted Swiss secrecy is beginning to crack. The upper house of the Swiss Parliament has passed a bill broadening Swiss cooperation in cases of foreign tax evasion. And some Swiss banks now ask new customers to swear that they are not violating the laws of their country and to waive their secrecy rights in the event of governmental inquiry.

To gain a full appreciation of the scope of this broad federal assault on financial privacy, it is necessary to look at its legislative and judicial backdrop. It all started in earnest with the "Bank Secrecy Act" of 1970. That laughably titled statute required banks to make and retain copies of all checks and to report to the Treasury any transaction over $10,000. Further, it required citizens to report whether they held a foreign bank account or trust and to disclose any movement of international currency amounting to $5,000 or more.

The Supreme Court entrenched and embellished the legislation in 1976, when it ruled that the constitutional prohibition against unreasonable search and seizure does not protect the privacy of bank records. Warren Burger and company reasoned that bank records are not "private papers" but business records that banks must keep under the Bank Secrecy Act. More recent law has conceded the procedural right to be notified of a government subpoena of one's records and to resist their release. But there is ultimately no substantive right to prevent the government from seizing them.

Now the Treasury is working hand-in-hand with Congress to widen federal surveillance even more. New Treasury regulations sharply restrict "financial institutions" from exempting customers from transaction reporting requirements and provide for more complete identification and recordkeeping on people who make "large" transactions. (Of course, that sum's size dwindles in significance by the day.) The new regs would bring securities and foreign exchange dealers, as well as foreign banks and money order issuers, into the reporting net.

The monitoring of international transactions is also being beefed up with little regard to traditional conceptions of privacy and due process. The House Banking Committee has passed and other committees are studying Treasury-pushed legislation that would make it illegal merely to "attempt" to transport "monetary instruments" in excess of $10,000 in or out of the country without reporting them to Customs. The bill provides for warrantless searches on "reasonable" (not "probable") cause and authorizes an army of paid informers to finger suspects.

Predictably, the justification for all this snoopery is the need to control drug traffic. For most politicians, that's hard to vote against. One of the few dissenters has been Rep. Ron Paul (R.-Tex.) who suggests that "there may be other reasons behind the obvious one of drug trafficking for the Treasury Department's support of this bill." He warned that the bill really looks toward "establishing or strengthening the legal framework for the total control of international capital flows by the federal government." As if to confirm these ulterior motives, Treasury Assistant Secretary Richard J. Davis regaled a congressional committee with horror stories of "how foreign accounts are used in tax evasion, bribery, securities violations, black marketing and smuggling."

One need not be involved in any of these activities in order to be disturbed by the steady squelching of our financial privacy. America has admirably survived nearly 200 years with a minimum of government supervision, after all.

Books have been written on the "how tos" of protecting the confidentiality of one's financial affairs, most notably *Mark Skousen's Complete Guide to Financial Privacy.* But there is no foolproof way. Those who feel they must use extralegal means to protect their capital (a growing class) should take due note of the risks involved.

Steve Beckner is a free-lance financial writer, the editor of Deaknews, *and the author of* The Hard Money Book.

arts & letters

movies

- **The Tin Drum**
- **Bronco Billy**
- **The Shining**
- **Brubaker**

Reviewed by John Hospers

• To a viewer who has been left somewhat cold by the "new wave" of German films (too arty and precocious), it is a pleasant surprise to see **THE TIN DRUM,** the most richly-textured, cinematic, and thought-provoking German film since the great days of Fritz Lang. I have not read Günter Grass's novel from which the film is adapted, but the story has certainly been rendered into film in superb style. It is full of the rich flavor of life in central Europe between the wars, seen through the eyes of a boy who (in the dominant conceit of the story) grows older in years and in intelligence but not in physical size. Constantly beating his tin drum, the symbol of a child who doesn't want to grow into adulthood, he decides not to grow, and his decision makes it so.

The story is set in Danzig (now Gdansk), the Polish seaport whose invasion by the Nazis touched off World War II, and was caught in every crosscurrent of war throughout the generations. Those Poles who become loyal Nazis prosper for a while, as the Nazis take over Poland, and all the child's anti-Nazi friends and protectors are killed, blindly and meaninglessly. The child simply absorbs such wanton destruction as one of many facts of daily life; but when the war ends, his father, a devoted Nazi, is himself killed by the invading Russians, and the 20-year-old baby has no one left.

Even during the war, life goes on, and the sexual conflicts and exploits of the members of the family—including those of the seeming child, who has the sexual proclivities of an adolescent—are graphically recorded. But as one person after another is destroyed in the shifting fortunes of war, and the land simply exchanges conquerors, in the end nothing really changes: just as the film began, with the boy's grandmother sitting in a bleak potato field and shielding her husband from the police under her capacious skirts, so it also ends, with the now-ancient woman still sitting in a potato field, waving at the crowded freight train that, unknown to her, carries the boy along with thousands of others to a Russian labor camp. We do not learn of this fate, but we can only assume, as the whole tenor of the film has previsioned, that nothing changes and that he too will be a victim like all the others of the destructiveness of a world gone mad.

• A train is approaching in the desert, and the masked gunmen on horseback prepare to board it and rob the passengers, though they're not quite sure how to go about it. But it's a modern train, and it goes too fast—the horses can't catch up with it, and the robbers are left all dressed up with no place to go. "It's not 1880 any more," says the girl, "all that stuff happened a hundred years ago!" And somewhat sheepishly they return to their regular activities, operating a cheapie circus that goes from one small town to another, never making any money—itself an outmoded activity in an age of television.

There are many incidents like this in Clint Eastwood's newest film, **BRONCO BILLY.** It isn't exactly a Western, nor is it even a spoof on a Western—it's a nice heart-warming tale of a group of 20th-century misfits who might have succeeded in the 19th; they belong in an era that is long since gone. But they don't feel sorry for themselves; they just go ahead with what they like to do most. And through all of it there arises a warm feeling of camaraderie that becomes the main excuse for their staying together. Eastwood as director has a nice flair for comedy, but even the comedy is incidental, like sparks on a forge; it's really just an old-fashioned melodrama with an occasional sardonic twist, set in a century when melodramas themselves seem dated and somewhat cute. But in its own unpretentious way the film celebrates the values of loyalty and personal togetherness, and there aren't many films these days that make you feel this good.

• That Stanley Kubrick's new film **THE SHINING** is a masterly work of cinematic imagination and technical expertise could not be seriously denied. But "the ultimate in horror"—the come-on given in advertisements—it definitely is not.

The setting is one with great potential for the macabre: a palatial lodge in the Rockies, deserted all winter except for a caretaker and his family (Jack Nicholson, Shelley Duvall, Danny Lloyd), inaccessible to the outside world most of the winter because of snowstorms. With all this empty grandeur and only three people to inhabit it from October to May, the possibilities of going crazy from loneliness and isolation would be considerable even in the most well-adjusted of families, which this one clearly is not. The psychological effects of the isolation and the lowering of mutual irritability-thresholds—together with the eerie and ominous background music by Bartok and Penderecki—would itself be sufficient material for a drama of terror. This is how Hitchcock would have done it; but Kubrick, apparently aiming for overkill, fires with a second barrel of the supernatural lest the first barrel—the purely psychological—not be sufficient for terrifying the viewer into a state of paralysis.

But the second barrel is a mixed blessing. The need for a child's ESP powers ("shining") in a drama already overloaded with terror potential is far from clear, and it muddies the waters without adding anything substantial to the suspense. Scenes in which the isolated hotel suddenly becomes peopled with guests, complete with dance music out of the '20s, seem clearly to be fantasy: but are they projections of the unconscious wishes and fears of the characters, or are they to be construed as real, in some science fiction time-warp? They are not simply dream-sequence interludes as in Hitchcock's *Suspicion,* for what occurs in them determines the course of subsequent events. Their exact ontological status is left unclear, even after the revelatory conclusion, which is apparently supposed to tie the whole thing together. The film might have been better, and certainly would have been clearer, without the intervention of supernatural forces.

At any rate, it is the psychological and not the supernatural that provides the real terror. The stock line from the Johnny Carson show, "Here's Johnny!" uttered by Nicholson as he is chopping down the door with the same axe intended to hack his wife to pieces, is an eerie mixture of black humor with real terror. And the moment when the wife finally discovers the manuscript on which her husband has supposedly been working all these months, with nothing but "All work and no play makes Jack a dull boy"

endlessly repeated on the typewriter, is far more revealing and terrifying than any of the unexpected appearances of ghosts (if that's what they are) or scenes from hell (if that's what they are) that are inserted into the story. The life-and-death chase through the maze, in which the precognitive child outwits his murderous father without benefit of extrasensory awareness, is much more chilling than the scenes in which the child reveals his "unnatural" powers.

For my money, the terror could have been achieved better without the trappings. But, as Hector Berlioz responded when he was asked why he needed 720 vocalists and instrumentalists to achieve the effect of divine wrath in the "Deus Irae" of his massive *Requiem,* the desired effect *was* achieved by this enormous ensemble, and isn't that enough? That Kubrick did achieve what he wanted by these extraordinary means is also perhaps enough. Still, one can't help wondering about that second barrel.

• Yet another film about prison conditions is **BRUBAKER,** very loosely based on an actual discovery in Arkansas a few years ago of bodies of prisoners who had been worked or beaten to death. The mistreatment of prisoners in films is something to which audiences have become so inured that they seem by now to be quite anesthetized to such depictions. Nor is there anything substantially different in this film from what has been seen in countless others.

The first 20 minutes are interesting: we see various aspects of prison life, with a recurring haggard face in the mass which we recognize as that of Robert Redford, carefully observing, studying, his piercing eyes taking in everything, but never speaking. We know something is about to happen, for no Redford picture is going to run its full course with the main character saying nothing. When a sudden change (what Aristotle calls "reversal") does occur, it is enough to make the audiences stand up and cheer. After that, although the attempted changes in the prison system are carefully documented, there is not much that arouses strong feeling any longer. The film is a good illustration of the importance of timing: the very same incident that, prepared for in a certain way, could have been shattering in its impact, can be presented (as in this film) with almost no effect at all. As I have mentioned before in this column, a study of Mervyn LeRoy's early film *I Am a Fugitive,* which infallibly raises audiences (even when it is shown today) to successive peaks of indignation and excitement, would have shown the makers of *Brubaker* what to do and what not to do in writing, pacing, and cutting. One leaves the theater feeling that the material is worthy of being moved by, yet one has not really been moved. It is not the material that is at fault, but the treatment. What Albert Barnes wrote about painting is just as true of film: "In art, the treatment is everything."

John Hospers is a professor of philosophy at the University of Southern California. His special interest is the area of aesthetics.

books

The Plight of Citizens

The Squeeze.
By James Dale Davidson.
New York: Summit Books. 1980.
281 pp. $11.95.

Reviewed by Tom Bethell

In the bad old days, so we are told, politicians actually used to get themselves reelected by *buying votes.* Come to think of it, though, at least they spent their own money. Our great problem today is that politicians can now buy votes with other people's money. Yours and mine. The result is that the United States is sliding rapidly into statism, with politicians commandeering a greater and greater percentage of the national income, which they in turn redistribute to selected portions of the electorate.

The problem is a serious one, but you wouldn't know it by reading our important newspapers—the *New York Times,* for example—because as it happens the agenda of redistribution that it implements is congenial to a very large proportion of the press. And you wouldn't know it listening to most conservatives, either. Through some utterly mysterious calculations, they seem to have convinced themselves that the country is "moving to the right."

Fortunately, James Dale Davidson, the chairman of the National Taxpayers Union, has not been deceived. His fact-filled and highly readable book *The Squeeze* (not a brilliant title, I fear, because unilluminating on its own) explains in detail how we are being squeezed by "the largest growth entity in the Western world in recent decades"—government at all levels. "Politics is where the rewards are today," says Davidson, setting forth his basic theme. He distinguishes between three forms of capital: productive (such as stocks), static (gold, real estate), and "transcendental capital"—the monies spent by government. Davidson then gives the following excellent synopsis of our precarious position:

> *We have created a situation in which the most effective way for an individual to pursue his immediate economic interest is to create liabilities against production. In essence we have created a competition to consume. And our economic orthodoxy is largely blind to this. The accepted method of perceiving economic activity—a Gross National Product computation—measures expenditures alone. Thus the economy can appear to be growing, not only from an increase in productive wealth but from an increase in expenditure resulting from a liquidation of that wealth. Because the returns from the transcendental capital have long exceeded what can typically be obtained in production, much of the increase in our GNP in recent years has been financed by a liquidation and drawing down of the accumulated reserves from productive activity in the past.*

Davidson might have added that all budgetary forecasts upon which Congress acts today assume that government spending "multiplies" faster in the economy than private sector spending, thus providing legislators with a permanent rationale for increasing spending programs, even though it is undoubtedly true that a large proportion of income transfer programs result in a destruction of wealth, not to mention a demoralization of the recipients. We hear gloomy reports about the savings rate, but when will our great newspapers shout it abroad that the Congressional Budget Office regards additions to savings as destructive to the economy? In the CBO model, savings are actually subtracted from GNP because, as Davidson notes, GNP consists of aggregate spending.

Davidson includes an excellent chapter on inflation, in which he points out that its principal effect is the "shifting of rewards from productive to transcendental capitalists." (Surely this latter locution fails to do justice to the problem. Why not call them political beneficiaries?) Davidson's historical illustrations of inflation are sometimes surprising. I hadn't realized, for example, that the Communist revolution in China was preceded by a decade-long inflation that was "150 times worse than the hyperinflation in Germany after the First World War."

Is inflation an intentional phenomenon? Davidson seems to think so, and it is certainly worth entertaining that idea, because plenty of people benefit from it. The principal beneficiaries, of course, are politicians who thereby enjoy the luxury

of higher revenues without having to make the unpopular decision to raise taxes. The general "creep" up progressive tax brackets is not likely to be noticed by most voters, who will in any event tend to put the blame for inflation on shopkeepers for raising prices rather than on the politicians for permitting a surfeit of money. The interaction of inflation and the progressive tax code is by far the most serious form of "the squeeze" currently experienced by the electorate. Its likely effect will be to induce a worldwide economic contraction.

Other areas of squeeze covered by Davidson include the soaring tax burden, health care, housing (a most useful chapter, this, explaining how zoning, planning, and other regulations have played a major role in driving up the cost of housing); the ever-growing legal blight (sign of a declining civilization if there ever was one); the blossoming bureaucratic empires; and of course the energy squeeze: in 1971 the price mechanism was suspended by people who did not understand its role in equalizing supply and demand. And so today we have a Department of Energy that can be relied upon to keep itself in business even if the price mechanism is restored.

Davidson concludes with a brave chapter on "what you can do," divided up into such subsections as "Put Bureaucracy on an Incentive Plan," "Restore Sound Money," and "Reduce Taxes." All excellent ideas, but I fear there is not much likelihood of their being implemented. The reason is embodied in another Davidsonian imperative: "Take Risks."

The corporate/bureaucratic state, in which a minimum-risk future is cautiously mapped out for the majority of the tax-paying middle class, severely discourages risk taking by those who above all are subjected to The Squeeze. Two hundred years ago, in Boston Harbor, militant action overthrew a tax burden laughably light compared with today's depredations. But the Boston Tea Party folk could afford to be militant because they didn't have mortgages to worry about, pensions to forgo, salaries at risk. In that inherently more dangerous world, risk takers had far less to lose. This point is illustrated in our own day by the inclination (at least a few years ago!) toward militance and risk taking on the part of students—people who generally don't have a vast amount of "security" to lose. Unfortunately, however, they'll never solve any of our current problems, because students for the most part don't pay taxes.

Most of us, then, are locked into a fearful inaction. But take a look at Davidson's book, if you are feeling apathetic. It might get you stirred up enough to hoist a placard, at least.

Tom Bethell is a free-lance writer and a Washington editor of Harper's.

Free-Market Ammunition

Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship
By Israel M. Kirzner.
Chicago: University of Chicago Press. 1979. 274 pp. $15.00.

Reviewed by Leland B. Yeager

Professor Kirzner's latest book consists of 13 essays on the interlocking topics of market processes, competition, disequilibrium, knowledge, error, entrepreneurship, alertness, luck, property rights, freedom, distributive justice, capital theory, and economic development, as well as the history of thought on at least a couple of these topics. The book's subtitle indicates a pervasive and unifying theme, on which Kirzner has already done justly renowned work. Six of the papers have been published before in collective volumes and three in journals. The four now published for the first time were presented at conferences.

Except for its last three chapters, the book does not deal explicitly with issues of political economy of concern to libertarians. Instead, it deals with technicalities of the operation of the market economy. Although not directly arguing the case for a free society, Kirzner provides intellectual ammunition for those who are arguing that case or are trying to rebut criticisms of a market economy.

He considers, for example, the question whether heavy capital requirements bar entry into industries and so impair competition. His answer hinges on pointing out that fulfillment of the pure entrepreneurial role does not presuppose prior ownership of any resources. He faces the objection that entrepreneurship may not be able to function to the fullest because, although it is conceptually distinct from ownership of capital, the two must go together in practice. Besides scoring other points, he notes that the corporate form of organization enables would-be entrepreneurs who personally lack capital to hire themselves out to owners of capital and to function with nearly as much discretion as if they were entrepreneurs after all.

Kirzner, contra George Stigler, accepts Harvey Leibenstein's concepts of

X-inefficiency and X-efficiency and argues how market processes promote the latter. In contrast with the allocative efficiency characterized by the equalities of various marginal rates of substitution and transformation beloved of theorists of welfare economics, X-efficiency is efficiency in a more familiar sense, the sort pursued by production managers, engineers, cost accountants, and marketing experts. Entrepreneurs ferret out opportunities to improve efficiency of both kinds.

Still further removed from the ideological battlefront, Kirzner offers insightful thoughts on methodology. In several places he introduces a distinction between economizing as conceived of by Lionel Robbins and human action as conceived of by Ludwig von Mises. As James Buchanan has also pointed out, the Robbinsian conception of choosing how to allocate known resources among known uses employing known techniques reduces the economic problem essentially to a calculation like one in engineering or technology. Mises's entrepreneurial conception of the problems and choices facing economic actors is broader and more realistic. Also in the realm of methodology, Kirzner considers whether economic theory is an aprioristic or an empirical science, as maintained, respectively, by Mises and by F. A. Hayek. While recognizing that only by superficial appearance is there an important disagreement, Kirzner does not quite say what I would, namely, that Mises's position hinges on an unusual interpretation of the term *a priori*.

The book's last three chapters are the ones most directly related to political economy. Here, Kirzner tackles the ques-

tion of entitlements to income and wealth. Kirzner accepts the notion of entitlement to "what a man has produced," but he extends the meaning of the expression. Production is accomplished by the entrepreneur and not by ordinary factors of production. By perceiving and exploiting hitherto unperceived opportunities, the entrepreneur actually *creates* the source of his profit. Ownership by creation is quite different, Kirzner emphasizes, from appropriation of an unowned but already existing natural resource, whose justice John Locke and Robert Nozick maintained. (Partly because of this difference, Kirzner's label for his doctrine, "the finders-keepers ethic," seems inadequately descriptive.)

Kirzner applies his concept of entrepreneurial creativity to the further question whether *error*—incomplete knowledge—by one of the parties to a market transaction erodes its voluntariness and therefore its entitlement-conferring character. He argues that the entrepreneur has to all intents and purposes *created* the hitherto unrecognized potentialities of the object of the transaction; so, barring deception, his entitlement to his profit stands.

Yet Kirzner has not, in fact, fully shielded the entitlement doctrine against the sort of attack that James Buchanan had already mounted against Nozick's version of it. Buchanan could say that the very opportunity perceived and creatively exploited by the entrepreneur, depending as it probably does on the attained general levels of technological knowledge and material affluence and on the workings of product markets and of markets in which factors of production are available for hire, is attributable to "society as a whole" and not solely to a particular entrepreneur. No doctrine of abstract rights or entitlements unequivocally settles the question of equitable distribution of the fruits of grasping the opportunity. A defense against such attack could be mounted, in my opinion, but it would have to be a different kind of defense from the kind that Kirzner indicates (a broadly utilitarian defense—more about this later).

In a final chapter Kirzner faces some challenges laid down by George Stigler in *The Citizen and the State* (but his response applies also to an article by Stigler in the *Journal of Legal Studies,* June 1978). Stigler had challenged those who see the growth of the State as a threat to liberty to specify what liberties have been impaired. Kirzner explains why such a specification is not to be expected. He shows how Stigler, associating the extent of freedom with the range of available choices, has fused two distinct concepts: absence of coercion or restraint wielded by human beings and ability to attain goals. Blurring the distinction between freedom and power undermines clear reasoning and communication. In straightening out this confusion, Kirzner again makes good use of his distinction between Robbinsian calculation and Misesian entrepreneurial action.

Adopting the latter perspective and also echoing F. A. Hayek and Fritz Machlup, Kirzner goes on to argue the *fertility of freedom.* Left relatively unrestricted, entrepreneurs will discover new opportunities to make profit by creating social improvements. Barriers to various lines of exploration will numb the alertness of entrepreneurs, however, and people will never know what benefits are being foreclosed. All this helps dispose of Stigler's challenge to specify just what deprivations people suffer because of growing State interference.

Kirzner's prevalent style of argumentation might be called concept-chopping—brooding over meanings of and distinctions between concepts or words. Time and again he counters objections to the market system by conceptual or verbal maneuvering. In some places, as in the discussion of entitlements, Kirzner seems to be trying to get an "ought" from an "is"—trying to derive principles of moral entitlement from facts and logic alone. Such maneuvering is not to be scorned outright. It does have its place in the evaluation of economic, social, and political institutions. Furthermore, Kirzner is very good at it; his performance is impressive and even aesthetically elegant.

Still, it is not enough. Assessment of institutions also has to appeal to comparison of alternative systems of mutually compatible institutions in the light of positive economics and other positive disciplines and also in the light of some normative criterion, such as conduciveness to human happiness. Such comparison is utilitarianism, broadly conceived. Even Kirzner cannot avoid being a closet utilitarian in at least a few scattered passages. He makes an instrumentalist case for freedom, for example, valuing it largely for the benefits that it brings, including new or better or cheaper goods and services.

Yet utilitarianism is widely scorned nowadays both within and outside the circles of libertarianism and "Austrian" economics. It is widely regarded as at loggerheads with taking human or natural rights seriously. We could well use some discussion of whether this supposed clash must in fact occur. Kirzner is well equipped to play a leading role in a debate over the philosophical underpinnings of the case for a free society.

Leland Yeager is professor of economics at the University of Virginia.

The Bolshevik Invasion

The October Revolution
By Roy Medvedev.
Translated by George Saunders.
Foreword by Harrison E. Salisbury.
London: Constable; New York: Columbia University Press. 1979. 240 pp. $14.95.

Reviewed by James J. Martin

It may seem at first glance that *another* analytical book on the nature and course of the 1918 Bolshevik revolution in Russia is as supererogatory, and critical overkill, as another biography of General Grant or collection of the wise sayings of John F. Kennedy. The excuse for this one seems to be that it derives from a Soviet citizen with credentials of a "dissident," and that in places it comes to conclusions that are at variance with the tiresome Soviet establishment hacks over the decades and their legion of ardent sympathizers in other lands.

What makes his account so novel will evade most American readers, and mystery attends much of his product insofar as it is supposed to represent such a departure from what we have already been told so many times before. Do not expect to read a ringing cry of opposition to the imperial Soviet system or subscription to any heretical espousal of the vestiges of individual freedom or any such thing. Very early in this work, Medvedev establishes his profound loyalty to Leninism and in his preface lays claim to being still a "Marxist revolutionary."

Most of the first half of Medvedev's work concerns matters as dear to the hearts of Soviet political exegesists as any topic that engrossed Christian theologians of the third century: Was the revolution of 1918 "premature"? Was it "inevitable"? And was the part played by Lenin in bringing about Bolshevik success in this coup "indispensable"? He is inclined to say "no" to the first and to come down resoundingly "yes" on the next two.

As usual, the total situation is treated almost exclusively as a purely internal affair. One would almost never know there was a cataclysmic world war going on and that it had a vital part to play in assisting the revolution, because Imperial Russia was doing very badly in it. In the same way the Russian debacle in 1905 against the Japanese is little recognized as an immense fueling to the revolution which also coincided that year with military defeat in a foreign war. (There is an interesting miscaptioned photograph in this book. The familiar shot taken from a rooftop, of Russians fleeing from the czar's soldiers'

gunfire in the square facing the Winter Palace in St. Petersburg, in the ill-fated protest led by Father Gapon in January 1905, here is misidentified as revolutionaries running from gunfire directed at them by soldiers commanded by the provisional Kerensky regime, 1917.)

Treating the events of 1917-18 as a mainly local affair; ignoring the international complications, the pressures to keep Russia in the war, the help given in bringing back to Russia both Lenin and Trotsky and many others; and foreign material assistance and financial aid, evades consideration of the Bolshevik expedition as a foreign invasion as much as a domestic uprising. Among the Russian scores upon scores of millions, the Bolsheviks were an almost invisible minority. This is what Peter Kropotkin partially had in mind when he thundered, in early July 1918 (quoted by American newspapers): "The Bolsheviks are not Socialists, and the Anarchists are not Anarchists. They are expatriates, ordinary criminals."

Had World War I ended in a stalemate early in 1917, as it promised to do as a consequence of mutual exhaustion, would the Leninist revolution have been so "inevitable"? Had not Woodrow Wilson and his cabal of Anglophile salvagers not used an excuse for getting the United States involved—thereby depositing the equivalent of the circus fat lady on one side of a fairly evenly balanced teeter-totter, and stretching out the contest another year and a half—Lenin and his lot might just as well have spent their remaining days in the same manner as they and their predecessors had earlier: furtively handing out badly printed papers on street corners and running through the dark alleys of the world with the cops in hot pursuit.

Of course, Medvedev argues that only Soviet historians really know anything about it all and largely supports the accepted establishment line on more things than he doubts or questions. But even Harrison Salisbury, the veteran *New York Times* Russianologist, who launches the book in this country with a more than kindly foreword, covers himself by conceding that "Medvedev's picture of Lenin and the Bolsheviks... is not too convincing nor, in the light of the best contemporary Soviet scholarship, entirely accurate."

The middle chapters exhaustively and almost tiresomely investigate the ups and downs of the tiny radical political cadres. Yet Medvedev does put on the record some monumental Bolshevik mistakes, although seeking to minimize their impact on Lenin's reputation.

If Medvedev's work is not entirely trustworthy and not so brave a new adventure in describing the Bolshevik experience, his cachet as a dissident-revisionist (though he finds Solzhenitzyn unbearable) nevertheless would be vindicated by his last two chapters and conclusions. Herein he describes in painful detail the utter botchery of agriculture in 1918 by Lenin and his hearties. It is true that the Bolsheviks, unlike Mao's crowd in China, knew virtually nothing about the land, farming, or food production and were never pushed by their ardent mouthpieces in the United States and elsewhere as gentle "agrarian reformers." But by virtue of their bungling they launched almost as much trouble for Russia as Mao did for China.

In a groping way, Medvedev, unlike most urban parasite Reds, is aware that agriculture is work, that food is not a spontaneous product of the Marxist-Leninist will, and that those who produced the food deserved decent compensation for it, not a fistful of Bolshevik play money. His last chapter is the best evidence of this realization and probably his chief claim to being a revisionist critic. And he freely concedes that only the speed by which the revolution incorporated the poor peasants saved the Bolsheviks from "immediate destruction," as he put it, in the summer of 1918, even though he also realizes that the collectivization of Russian agriculture was an objective located an immense distance from that of Russian peasantry *in toto*. Even the poorest and most resentful looked forward to no more than a redivision of some of Russia's agricultural land.

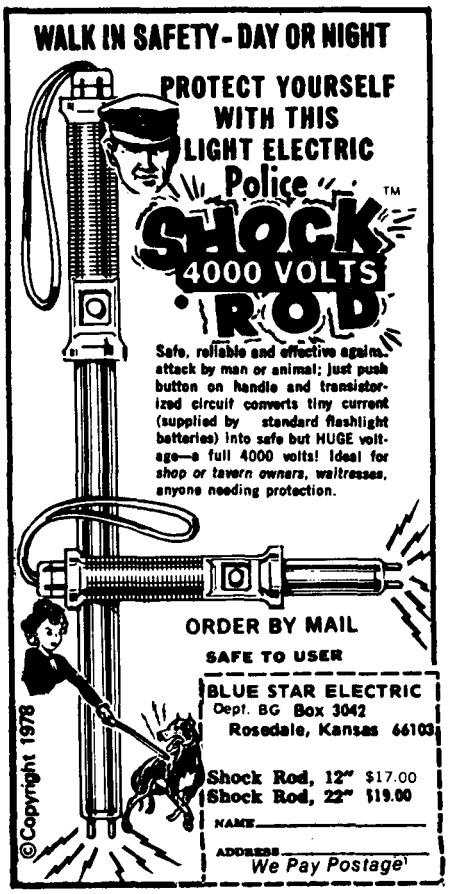
Medvedev confirms that, out of the first stage of the October Revolution in rural Russia, the first event of significance to emerge was not the creation of any large collective farms but "the appearance of a great many new small and medium-sized farms." Medvedev further recognizes that, though famine conditions assailed urban Russia by mid-1918, it was not due to the absence of the means of subsistence. The planted area in 1917, as well as the harvest, was close to that of the average of the three previous war years. If there was almost no grain and breadstuffs in many city markets, it was because the peasantry were hiding these in immense quantities, due to the breakdown of the exchange system. Medvedev describes the activities of the numerous middlemen (the "bag men," hated in Bolshevik memory), scurrying about the country, bringing large quantities of grain from where it was secreted to places where it was needed. So a market economy of sorts, though largely barter, managed to persist.

Medvedev, agreeing with Kondratiev's 1922 study, substantiates the existence of large grain "surpluses" in the hands of the "middle peasants," unwilling to turn it over to the Bolshevik government or to sell it for Soviet wall paper, disguised as money. Hence the grim emergency, and Lenin's subsequent dispatching into the countryside of contingents of paramilitary strong-arm artists, euphemistically described as "food detachments," who proceeded to relieve the holders of the grain at gunpoint, paying them nothing for it (even though peasants occasionally killed such parties to the last man).

The author concedes that this was a catastrophic policy, destroying the peasantry's "confidence in the future," while it also "deprived them of any incentive to labor in the fields in the subsequent years." There is an aura of simple innocence hovering over this last statement that almost compels a sustained smile. So, instead of concessions and compromise permitting free trade and some aspects of the modified capitalism adopted in the spring of 1921, the Bolsheviks, Medvedev plaintively complains, "mistakenly resorted to mass violence" in the spring and summer of 1918.

Thus was planted in rural Russia the seeds of the ensuing civil war and the diseases of policy which result in the Soviet Union today *still* being unable to feed itself, a situation that never prevailed under the czars. (In the last prewar czarist year, 1913, Russia *exported* 12,000,000 tons of grain.)

But there is a political effect of all this


WALK IN SAFETY - DAY OR NIGHT
PROTECT YOURSELF WITH THIS LIGHT ELECTRIC
Police
SHOCK
4000 VOLTS
ROD
Safe, reliable and effective against attack by man or animal; just push button on handle and transistorized circuit converts tiny current (supplied by standard flashlight batteries) into safe but HUGE voltage—a full 4000 volts! Ideal for shop or tavern owners, waitresses, anyone needing protection.
ORDER BY MAIL
SAFE TO USER
BLUE STAR ELECTRIC
Dept. BG Box 3042
Rosedale, Kansas 66103
Shock Rod, 12" $17.00
Shock Rod, 22" $19.00
NAME
ADDRESS
We Pay Postage
©Copyright 1978

which accounts for the survival of Bolshevik Communism. In the midst of contemplating the horrid human cost of the obtuse agricultural policy of Lenin and his cohorts, Medvedev seems dimly aware that the real political genius of these Bolsheviks lay in their success in creating a wide abyss between Russia's urban proletariat and the country's farm workers and peasants—aggravating the split with constant inflammatory propaganda that described the latter as unfeeling and greedy saboteurs of the revolution, and they slyly coming forth in the role of mediators between the two.

It is obvious that the failure of the Bolsheviks, sustained all the way to the present, in the field of food production, weighs heavily on Medvedev. He returns to it even in the four closing sentences of his work, remarking ruefully that "abundance in agricultural production still eludes us," making for the persistent dependency on "capitalist countries," which seem always, for some unexplained reason, to continue to come up with the necessary "surpluses" to sell to the Workers' Fatherland. Medvedev still appears to be mystified as to the cause for this particular weakness in his homeland, but he reveals a badly concealed suspicion that the answer lies somewhere back there when his idol, Lenin, temporarily restored the crippled but at least partially functioning capitalism, the New Economic Policy (NEP), in the halcyon days of early 1921, but did not keep it going. From that time on the famines were *genuine.*

James J. Martin is a widely published revisionist historian.

viewpoint

(Continued from p. 42.)

appointed. The food is of the first caliber (especially "savouries du pecheur"). The service is just what you would expect: proper and discreet. A few years ago one of the snooty French tour guides described it as "incontestably the best service in the world."

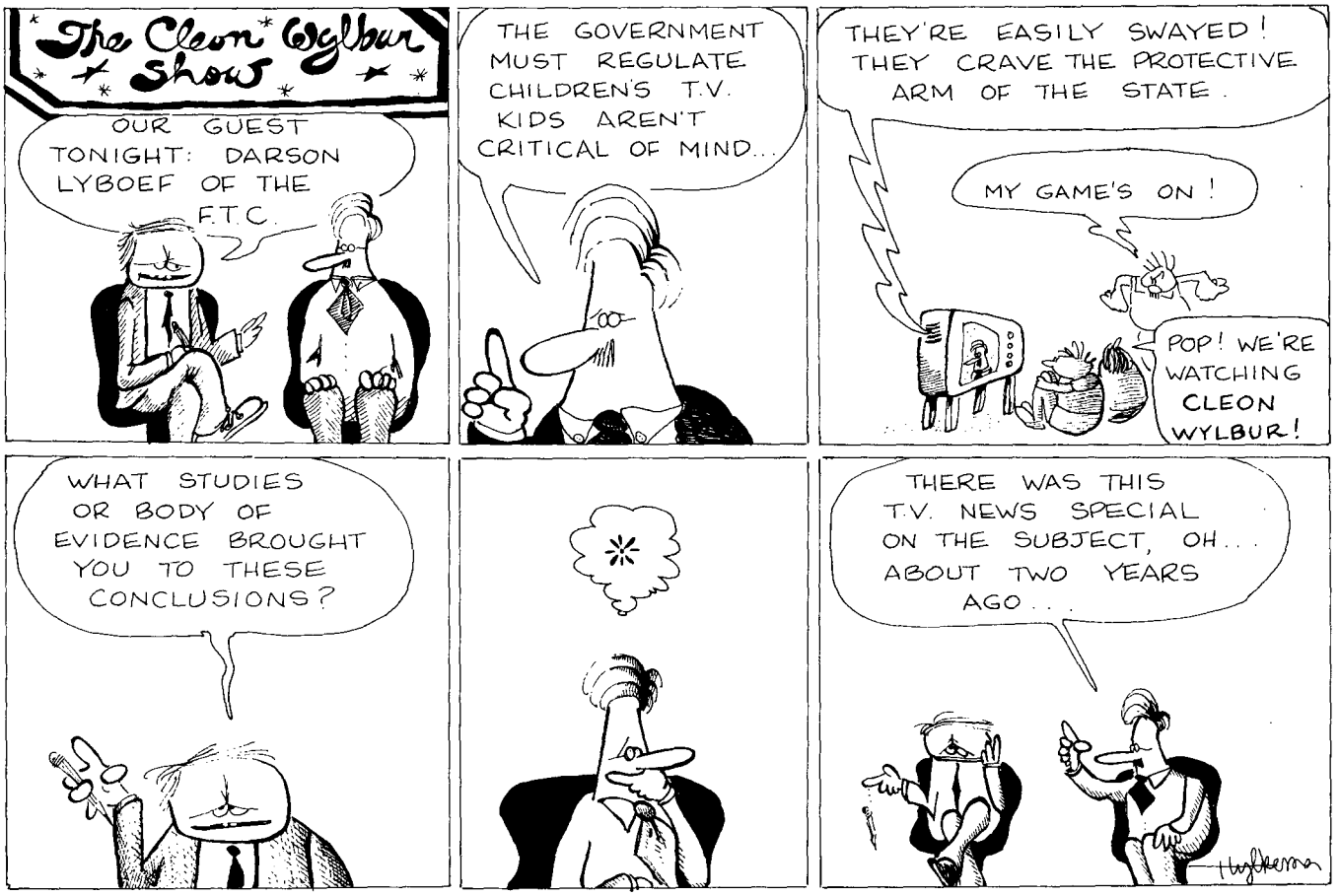
As is often the case with continental hotels, the service gets even better when you personally write to the managing director to arrange a reservation. At the Plaza Athenee, he is M. Franco Cozzo. Pay him a visit. His hotel is a splendid base for seeing Paris, a city whose legendary excitements, according to the song, did so much to depopulate rural America after World War I. It is still exciting, in a way which appeals to souls like me who find our thrills a few steps shy of stepping out of airplanes.

I have run out of space here, very much as one always runs out of vacaton time—before having done all the traveling one would wish. Yet travel is a subject that is worth coming back to, if only because it helps bring a better perspective to our lives at home. There is even a kind of satisfaction for authors of unknown travel books, and perhaps a lesson, in learning that the most potent advertising campaigns fall some way short of universal success. The English do not eat English muffins. In Denmark, the nearest thing to a Danish pastry is known as "Vienna cake." And the Spanish have never heard of Spanish rice. Of course, they've never heard of *An Eccentric Guide to the United States,* either.

Jim Davidson is founder and chairman of the National Taxpayers Union. His book The Squeeze *was published recently by Summit Books.*

rudebarbs

Randall K. Hylkema


The Cleon Wylbur Show
OUR GUEST TONIGHT: DARSON LYBOEF OF THE F.T.C.
THE GOVERNMENT MUST REGULATE CHILDREN'S T.V. KIDS AREN'T CRITICAL OF MIND...
THEY'RE EASILY SWAYED! THEY CRAVE THE PROTECTIVE ARM OF THE STATE.
MY GAME'S ON!
POP! WE'RE WATCHING CLEON WYLBUR!
WHAT STUDIES OR BODY OF EVIDENCE BROUGHT YOU TO THESE CONCLUSIONS?
THERE WAS THIS T.V. NEWS SPECIAL ON THE SUBJECT, OH... ABOUT TWO YEARS AGO...
Hylkema

Permission to reprint this cartoon in periodicals is hereby granted, provided it is accompanied by this notice:

Reprinted with permission from REASON magazine. Copyright © 1980 by the Reason Foundation, Box 40105, Santa Barbara, CA 93103. $19.50/year.

classifieds

ANNOUNCEMENTS

National Organization Taunting Safety and Fairness Everywhere (NOT-SAFE) satirizes "protect-everyone-from-everything" attitudes/policies. Send S.A.S.E. for application. *NOT-SAFE,* Box 5743-R, Montecito, CA 93108.

BOOKS

ENJOY THE BEST OF RUDEBARBS in this 100-page quality paperback book, interspersed hilariously with quotes of the world's best and worst political economists. Satisfaction guaranteed or money refunded. Send $5.95 each (includes delivery) to Department R, Books In Focus, #31B, 160 East 38th Street, New York, NY 10016.

ARE OBJECTIVISTS HAPPY? Do the premises lead logically to experiencing joy? If not, is there a non-faith alternative? For a provocative 50-page analysis, send $3.00 to P.O. Box 4876, Santa Clara, CA 95054.

BUSINESS OPPORTUNITIES

BECOME AN ORDAINED MINISTER and start your own non-profit organization! Many benefits! For your credential and complete information, send $10.00 to: Universal Life Church, 1335 Seabright Ave., Dept. R, Santa Cruz, CA 95062.

FREE ENTERPRISERS: Large opportunity gas-saving synthetic lubricants dealerships. Small investment, unlimited sales area. Write: Anderson Engineering, Epsom, NH 03234.

FINANCIAL

SWISS FRANC @ SAFE 16% @ NO TAXES. Report & application forms: send $6.50 to: ADDO-R1, Altenbachstr. 17, Vaduz, Liechten'n.

LIBERTARIAN-OBJECTIVIST registered commodity broker. Trading in all major futures markets. Emphasis on precious metals, financials, and currencies. To open an account call 816/524-5400, collect. Ask for Ted Lenger.

BUY SILVER COINS at face value. Complete details $2.00. Satisfaction guaranteed. Bannon, Dept. R-4, P.O. Box 942, Pittsburgh, PA 15230.

PENNY GOLD & SILVER stocks have tremendous profit potential. 1000% annual price swings. No margin calls. 20 years research. New "how to" book by professor. Free details: Penny Stock Press, P.O. Box 430-BC, Queens Village Station, New York 11428.

COUNTERFEIT GOLD? Comprehensive pamphlet tells, in detail, how to test GOLD purity with no special equipment. Send $2.00 to Cedar Mountain Trading Post, Assay Department, Cedar Mountain, NC 28718.

PERSONALS

NATIVE VERMONT DENTIST, 27 yrs., presently in Norfolk, VA area, student of Objectivism and Libertarian politics would like to correspond with independent, physically active woman of similar philosophy and interest in rural life. All letters of serious self-description and interests treated confidentially. Box HLM, REASON.

SINGLE BOOKLOVERS gets single, widowed or divorced persons acquainted. Established 1970. Nationwide. Write: Box AE, Swarthmore, PA 19081.

LIBERTARIAN EDUCATORS have devised a dynamite program for teaching reading, spelling, comprehension, math, etc. Over 50% of Americans are potential clients. If interested in profitable job or investment in your own business, or to enroll someone in your family, write for free brochures or call The Culbreath Schools, 341 N. Maple Dr., Beverly Hills, CA 90210; 213/655-4949. Evening calls OK. Franchises available.

BEAT THE GASOLINE SHORTAGE. Install an auxiliary gas tank in your car or truck. Cut gas station worries, double or triple your range. Complete details $2.00. Kantor, 2000 Center St. #1020, Berkeley, CA 94704.

PRODUCTS

FREE T-SHIRT! Support Ed Clark & wear your colors (green & black on white) in 1980. Front asks "Who is Ed Clark?" back answers "Vote Libertarian, Ed Clark President, 1980" over Clark's silhouette. $10 donation to Clark campaign gets this handsome shirt. Send donation & shirt size to: Ed Clark T-Shirt Project, 739 Boylston St., Suite 214, Boston, MA 02116.

HOW AN ANARCHIST SOCIETY WOULD PROVIDE NATIONAL DEFENSE: THE SOLUTION TO LIBERTARIANISM'S HARDEST PROBLEM, by Jeffrey Rogers Hummel, historian and former U.S. Army officer. Complete talk with questions and answers and further questions and answers on three 90-minute cassettes or one 7" reel—$15.00 plus $1.00 packing and handling. Texas residents include 5% sales tax. Order from: IMMORTAL PERFORMANCES, P.O. Box 8316, Austin, TX 78712, USA.

"NEXT?" STATIONERY: Defy 'em all. Write letters on "NEXT?" Stationery! The latest power illustration by Barney Steel to shock the enemies of capitalism! Tell the world with one illustration and a few words that you're sick and tired of liberal busybodies, politicians, bureaucraps, environmentalists, ERA, unions, socialists, commies, kooks, and bible-pounders! Let the above mentioned types know you've seen through all the *variants* of their egalitarian muck, and you're prepared to demolish whatever form it creeps in, "NEXT?!" Send $5 per 25 pg. pad, 8½" x 11" to: Barney Steel, 1711 4th St., Long Beach, CA 90802. Phone 213/438-8308.

300 SHAVES FROM ONE BLADE? Sounds impossible? That and more! Not a mechanical gimmick or a mystical incantation but a scientific principle. $2.00 and SASE to J. Enterprises, P.O. Box 565, Campbell, CA 95008.

NEO-LIFE STORAGE FOOD for "Coming Bad Years." Better investment than gold. There's no substitute for food. Ruff-recommended Martens distributor: The Larder, Box R 221248, Charlotte, NC 28222.

FLATULENT? (FREQUENTLY?) FEAR NOT! Read Benjamin Franklin's long-suppressed essay of 1780 on (believe it or not) farting. Hilarious! Frameable. $4. "Essay," Box 69-A, Carrboro, NC 27510.

THE STATE SUCKS, FIGHT ORGANIZED CRIME: ABOLISH THE IRS! Over 50 slogans for buttons, palm-size stickers and bumperstickers. Free Catalog. SLL, Box 4, Fullerton, CA 92632.

LUDWIG VON MISES T-SHIRTS. 100% Cotton. S-M-L-XL. $7.50 postpaid. F.I.O.T. Enterprises, 2007A Round Top Dr., Honolulu, HI 96822.

PUBLICATIONS

CRASH COURSE for HARD TIMES: A collection of alternative life style and survival book reviews, $3. Write: 500 Esplanade Dr. #1520, Oxnard, CA 93030.

REJECT GOVERNMENT CONTROL of money and enter the laissez-faire, hard money marketplace. Subscribe to the *Gold Standard Trader.* Silver dime/year (12 issues) *plus* 12 word advertising credit worth ½ subscription price *free.* Box 125 MIT Branch; Cambridge, MA 02139.

TIBOR MACHAN BIBLIOGRAPHY now available for the convenience of those who may wish to keep track of Machan's published works. Send $1.00 to REASON/TM, Box 40105, Santa Barbara, CA 93103.

LIBERTARIAN CONNECTION, 12-year-old open-forum magazine. Subscribers may (but needn't) insert four pages per issue free, unedited. LC had Rothbard, Hospers, Childs, Grinder, Block before you ever heard of them. Read tomorrow's leading thinkers, today. 8 issues (1 year) $10. Sample $1. 9850 Fairfax Square #232R, Fairfax, VA 22031.

REAL ESTATE

ACRE, LAKE WILDERNESS ESTATES, Battlefield Park, Virginia Clubhouse, fishing, swimming. Fredericksburg 15 miles; Washington 60 miles. $3,850. Prof. Whitelaw, VPI, Blacksburg, VA 24061.

SERVICES

LIBERTARIAN ATTORNEY. IRS defense: audits, trials, and related proceedings, civil and criminal; Census Resistance defense; Wills and Trusts. John K. Cotter, Attorney at Law, 256 Montgomery St., Suite 201, San Francisco, CA 94104; 415/982-8880.

RATES: 35 cents per word, $7.00 minimum. For REASON box number instead of personal address, add $1.50 per insertion. *All orders must be accompanied by payment,* and copy should reach us by the first day of the second month preceding the month of issue (e.g., advertising for the March issue, which is mailed early in February, should reach us by January 1st).

THE CLASSIFIED AD DEADLINE FOR THE DECEMBER ISSUE IS OCTOBER 1.

The Psychology of Freedom
Liberty and Love as a Way of Life

by Peter R. Breggin, M.D.

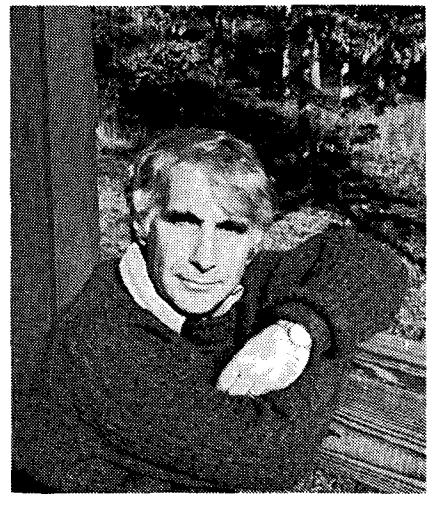
- **On love for self and others**
  - What is love?
  - Enjoying romantic love
  - Bodily sex and passion
  - Freedom versus love?
  - The fear of loving
  - Pursuing your self-interest
- **On self-determination**
  - Self-oppression – the key concept
  - Feelings of helplessness & fear
  - Supremacy of reason over emotion
  - Making insight work in your life
  - Personal freedom in everyday life
  - You own yourself
- **On parents and children**
  - Parenthood without force
  - Raising free & happy children
  - What parents owe children
  - What children owe parents
  - Origins of guilt & shame
  - Transcending your childhood

You don't have to "need help" to benefit from this book. The stronger, braver and more rational you are, the more it will make sense to you. Both an original theoretical work and a practical guide to self-determination and love, it has been praised by scholars and laypersons alike.

For the first time in modern psychiatry, human experiences such as guilt, shame and anxiety, depression, jealousy, alienation, and even the "unconscious," are made understandable in terms of human decision-making. Irrational, self-defeating reactions can be replaced with self-directed activities based on the principles of liberty and love for self and others.

"*The Psychology of Freedom* is a personal as well as a theoretical book. It draws on my personal experience, and tries to address yours. I hope it will put you into closer touch with yourself and with your own deeply cherished values of freedom, individuality, and a love for life."

Peter R. Breggin, M.D.



Peter R. Breggin, M.D. is a psychiatrist in private practice in the Washington, D.C. area, and the author of five books and many articles dealing with psychiatry. Formerly a Teaching Fellow at Harvard Medical School and a fulltime Consultant with the National Institute of Mental Health, he is now Director of the Center for the Study of Psychiatry. Internationally known as America's leading critic of oppressive psychiatric technology, he now responds to the question, "What have you got to offer that's better?" His answer is a systematic, yet common sense presentation of the psychology of self-determination.

A 254 page quality hardback, published by Prometheus Books, with discount distribution by Lake House Books, PO Box 5919, Washington, D.C. 20014. Discount Price $12.95

"Valuable for anyone who is involved in life. It confers an understanding of self and others. Truly a magnificent creation. Simple, yet brilliant."
Dallas Cooley, M.D., President, Libertarian Health Association, Fairfax, Virginia.

"This is a lovely book. It speaks to a yearning for self-determination and individual happiness that is the mainspring of today's three great grassroots movements – libertarianism, feminism and the human potential movement."
Joan Kennedy Taylor, nationally syndicated radio commentator (Byline), and co-author, *When to see a Psychologist*, San Francisco.

"A set of surprisingly rich and convincing personal guidelines, head and shoulders above most of the self-help books on the market today."
Roy Childs, Jr., Editor, *Libertarian Review*, San Francisco.

"His call for the end of oppressive parental control and manipulation of children and for the uncompromising recognition of the personal sovereignty of the child is breathtaking in its audacity but totally consistent in its logic. If we are ever to have a society of self-determining, free individuals, we need such insights."
Sharon Presley, National Coordinator, Association of Libertarian Feminists, New York City.

"Peter Breggin's conception of human consciousness makes more sense to me than anything else I have ever heard. His forceful and down to earth presentation provides a gut level understanding far more meaningful than abstract reasoning alone."
John Muller, President, Laissez Faire Books, New York City.

"You look and look for a book that you can suggest that will help both patients and students understand themselves. This book is it."
Richard Phillips, M.D., Associate Professor of Psychiatry, State University of New York, Syracuse.

Publisher's price, $15.95. Your price, $12.95.
We pay postage and handling in this special offer.
Please rush me _____ number of copies @ $12.95/book.
Enclosed is my check or money order for $ _____
Instead, please charge $ _____ to my ☐ VISA ☐ Mastercharge
Credit Card No. _____ expir. date _____
☐ Please have Dr. Breggin autograph my book at no extra charge.
☐ I have added $2 per book for first class mail.
Make check or money order to Lake House Books.

Mail this coupon to
LAKE HOUSE BOOKS
P.O. BOX 5919
WASHINGTON, D.C. 20014
DISCOUNT DISTRIBUTORS

Name _____
Address/Apt. # _____
City/State/Zip _____